

CANADA

# DEBATES OF THE SENATE

## OFFICIAL REPORT

(HANSARD)

THE HONOURABLE GILDAS L. MOLGAT
SPEAKER

## 1994-96
## FIRST SESSION, THIRTY-FIFTH PARLIAMENT
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VOLUME 11

**THE SPEAKER**

THE HONOURABLE GILDAS L. MOLGAT

**THE LEADER OF THE GOVERNMENT**

THE HONOURABLE JOYCE FAIRBAIRN, P.C.

**THE LEADER OF THE OPPOSITION**

THE HONOURABLE JOHN LYNCH-STAUNTON

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**OFFICERS OF THE SENATE**

**CLERK OF THE SENATE AND CLERK OF THE PARLIAMENTS**

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R.L. DU PLESSIS, Q.C., B.A., LL.L.

**GENTLEMAN USHER OF THE BLACK ROD**

COL. JEAN DORÉ, C.D.

# THE SENATE

**Wednesday, November 30, 1994**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

## ROUTINE PROCEEDINGS

### CANADA-JAPAN INTER-PARLIAMENTARY GROUP

FIFTH ANNUAL MEETING HELD IN VANCOUVER—
REPORT OF CANADIAN DELEGATION TABLED

**Hon. Dan Hays:** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian delegation to the fifth annual meeting of the Canada-Japan Inter-Parliamentary Group, which held its meetings in Vancouver from October 15 to 18, 1994.

If I might be permitted a few comments, honourable senators, the agenda at Canada-Japan meetings is always extensive and wide-ranging, and the Vancouver meeting was no exception. The delegates dealt with bilateral topics, such as trade and political situations in Japan and Canada. On the multilateral front, reform of the United Nations, peace-keeping operations and the environment dominated the discussions.

Honourable senators, the range and depth of the discussions which took place in Vancouver went a long way in allowing Japanese and Canadian parliamentarians to better understand issues that concern all of them. The opportunity to put forward the Canadian viewpoint was critical, and the Canadian viewpoint was effectively expressed.

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## QUESTION PERIOD

### DELAYED ANSWER TO ORAL QUESTIONS

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, I have a delayed answer in response to questions asked by Senator MacDonald on November 15 and 24 concerning Pearson International Airport. The response includes approximately 10 pages of additional documentation from the Department of Transport. I ask that this documentation be included as an appendix to the *Debates of the Senate* of this day.

**The Hon. the Speaker:** Honourable senators, is it agreed?

**Hon. Senators:** Agreed.

### TRANSPORT

PEARSON INTERNATIONAL AIRPORT—NOMINEES TO CANADIAN AIRPORT AUTHORITY—POSSIBLE NEGOTIATION OF LEASE—GOVERNMENT POSITION

*(Response to questions raised by Hon. Finlay MacDonald on November 15 and 24, 1994)*

Unlike previous transfer initiatives, the National Airports Policy (NAP) is part of a broader Air Strategy. In addition to defining the federal role in operation of the country's civil airports, the Air Strategy also involves the modernization of the country's air navigation system as a means of improving the way the system is managed and delivered. The Air Strategy is itself one of several initiatives within the Department of Transport concerned with a better way of doing things to bring a vibrant, healthy transportation system into the next century.

The cornerstones of these initiatives are efficiency, a balance between capacity and demand/capability, and a recognition of the federal government's fiduciary responsibility in the areas of safety and security.

Previous transfer initiatives were undertaken independent of other initiatives within the Department. In some cases, the lack of a coordinated approach led to activities that were at cross purposes.

The major difference between a Canadian Airport Authority (CAA) and a Local Airport Authority (LAA) is that CAAs shall be incorporated in a manner fully consistent with the Public Accountability Principles for Canadian Airport Authorities, which were unveiled on July 13, 1994 by Transport Minister, the Honourable Douglas Young, as a component of the NAP, to ensure a higher degree of accountability to the public. CAA boards of directors will now include federal and provincial and municipal nominees as well as representatives of organized labour and consumer interests. CAA Board members must abide by a Code of Conduct and more stringent conflict of interest guidelines.

There will be public access to all relevant CAA documents including all signed airport transfer agreements as related to the transfer of the airport.

Under the National Airports Policy, CAAs are not-for-profit corporations headed by boards of directors nominated by different levels of government, and by other participating organizations such as boards of trade/chambers of commerce, and consumer and labour organizations. The federal government may also nominate up to three directors. Directors cannot be elected politicians or government employees.

As background information, please find attached a copy of the Public Accountability Principles for Canadian Airport Authorities. The chart attached thereto outlines some of the many other differences between Local Airport Authorities and Canadian Airport Authorities.

(*For text of documents, see appendix, p. 1023*)

The second question is why is Bill C-22, (An Act respecting certain agreements concerning the redevelopment and operation of Terminal 1 and 2 at Lester B. Pearson International Airport) necessary in order to proceed with a Canadian Airport Authority.

At this time, there exists a lease agreement between the federal government and T1T2 Development Corporation. Succinctly, there cannot be a second lease concluded for the same property to two different entities. The Minister of Transport has on several occasions outlined the larger questions behind the desire to cancel the agreement with T1T2 Development.

That a lease exists is sufficient to interfere with the options for proper public policy determination of the future of Lester B. Pearson International Airport.

The previous government wanted to give the best assets from the premier airport facility into the control of the private sector. This government wants to ensure that a consistent, logical National Airport Policy is applied at all airports, certainly including Pearson.

The Minister of Transport has recognized the Greater Toronto Airports Authority, including the federal nominees to the Board. He has indicated on several occasions that his department will work with this body in an advisory capacity only, since its true role continues to be hindered by the lack of resolution of Bill C-22.

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# ORDERS OF THE DAY

## CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Hébert, for the second reading of Bill S-6, An Act to amend the Criminal Code (dangerous intoxication).—(*Honourable Senator Petten*).

**Hon. Erminie J. Cohen:** Honourable senators, sixteen days between November 25 and December 10 have been set aside as part of an international campaign called "Sixteen Days of Activism Against Gender Violence." The 16-day period begins on the International Day Against Violence Against Women and ends on the United Nations Human Rights Day.

These internationally observed days also have a Canadian element, because this period includes the anniversary date of the Montreal massacre, when 16 female engineering students were killed by a man determined to kill feminists.

In light of this campaign week, it is fitting that I rise to speak on Bill S-6 and the ruling of dangerous intoxication.

I should like to thank Senator Gigantès for introducing this bill and for moving the debate on this controversial issue into the legislative arena where it belongs. Canadians have been shocked by the Supreme Court's ruling on the *Daviault* case in Quebec last September, and the precedents which have piled up since then in Alberta, Ontario, Quebec and Prince Edward Island. The cases have all been of men assaulting women while under the influence of alcohol or drugs.

The specifics of the bill's wording will be discussed further when the bill reaches committee. For now, I wish to focus my support on the principle of this legislation, and on the implications that this whole debate has had, and will have, on the women of Canada.

The Honourable Mary Collins, the minister responsible for the status of women in the last government, called for zero tolerance on violence against women. It was the recommendation of a national panel on violence against women that travelled across the country gathering evidence, and also of a report released last year by the Standing Committee on Justice and the Solicitor General in the other place.

What does zero tolerance mean? To quote the former minister, it means to stand up and say, "I simply won't tolerate violence." It means that we adopt an attitude which says violence is never acceptable behaviour. It means that we back up that attitude with action.

I should like to hear the Minister of Justice commit himself to zero tolerance of violence against women. What I have been hearing instead is that this issue is only a small part of a much larger review of the Criminal Code. That kind of approach raises two important problems which I believe the government must address. The first is that because this is a "women's issue" it does not warrant as high a profile on the government's priority list as the more esoteric questions arising from this historic overhaul of the Criminal Code. Responsibility for so-called women's issues, traditionally, have been shuffled off to a junior minister. That started to change under the last government, and I wish to suggest that the trend continue.

Well over 90 per cent of rapes and incidents of domestic violence happen to women and children. That makes it very much a women's issue. An issue of importance to 52 per cent of the Canadian population is not an issue to be sloughed off to a junior minister. I hope that the Minister of Justice will recognize that, and speak out on behalf of his female constituency.

I would argue for a little common sense to be added to this review process. The government needs to be looking not only at the theoretical implications of the law but also at its practical effects.

A second aspect is the fact that this is an issue which impacts disproportionately on women. It raises the question of the Criminal Code as a whole, and whether or not any attempt is being made to apply gender analysis as a component of the review under way.

A few years ago, Madam Justice Beverly McLachlin gave a speech to the Elizabeth Fry Society on the subject of how the criminal law has discriminated against women. She outlined how, historically, society has made women into victims by its attitudes toward certain crimes, while at the same time doing nothing to change the social practices which impose the commission of such crimes on women.

One example of this double standard is the section on infanticide which still exists in our Criminal Code. The social and economic situations of women have almost always been the reasons for such feminine crimes as infanticide and prostitution. The law cannot always address the victimization of women by conditions not addressed by the law, but that is no excuse for making women's reality irrelevant in considering legal reforms.

• (1340)

When Canadian women cannot feel safe going out to a bar at night with a friend, and when women must carry their car keys laced between their fingers, or a can of mace in their purses when they walk alone, the system is not working and we must ask ourselves for whom we are making these laws.

The recent Supreme Court decision makes the crime itself seem irrelevant. It denies victims any recourse to justice. The intoxication defence sends a message that rape will be tolerated. It devalues women who have been the victims of the crime, and perpetuates the situation whereby the legal system has systematically devalued women throughout history.

It seems to me that we will be taking a step backward if the Supreme Court ruling is allowed to stand. This is particularly true on university campuses. After all the work which has been done to raise the student and public consciousness of date rape, this ruling comes as a real setback for women.

In the past, victims of sexual assault have often felt that they were on trial, rather than the accused, because of the wide-ranging freedom allowed by the law to question the victim's sexual history. This made women feel as victimized by the justice system as they had been by the accused.

According to Statistics Canada, 39 per cent of Canadian women have experienced at least one incident of sexual assault since the age of 16. Last year, there were 13,462 sexual assaults but only 6 per cent of them were reported to the police. This ruling is likely to keep even more women from reporting rape or family violence. A system which keeps women silent and fearful is an unjust system.

While in the past prostitution laws have put the burden of the problem on women's shoulders by focusing on the person offering the services, the law pertaining to rape has also put the onus on women, even though in rape cases women are the so-called "recipients" of the sexual act rather than the ones performing the act. From the point of view of the law, it would seem that if the offence has to do with sexuality, it must be the woman's fault. Only very recently has prostitution started to change from being a feminine crime to one which involves both men and women.

Throughout much of history, the practical effect of the law on these so-called feminine crimes has been to place on women the burden of all the punishments and social stigma attached to these crimes. It has been an easy but inequitable solution to what are admittedly complex social and moral problems. In that way, our Criminal Code has failed to recognize the equality of women.

We have seen the law on abortion evolve from being a female crime to the point where doctors performing abortions take some of the responsibility, and then to the Supreme Court's ruling in 1988 which decided that the abortion law violated women's equality rights and the right to security of the person.

In the same way, prostitution laws have been changed to make those buying sexual services as accountable as those selling the services.

The intoxication defence denies not only any form of equal rights to women victims, but any rights at all. Women's groups are calling for action now, particularly because alcohol is so often a factor in spousal abuse. It is distressing that when men lose control, it is usually women who pay the price in terms of physical beatings and emotional abuse. After years of public education, we as a society have learned that no one has the right to get drunk and then drive a motor vehicle. It is difficult now to see us in a situation where someone has the right to get drunk and then rape a woman.

The intoxication defence essentially says, "The devil made me do it." It erases any form of personal responsibility as if drunkenness were something akin to an epileptic seizure. Without trying to deny in any way the seriousness of the disease of alcoholism, the defence, as interpreted by the Supreme Court, would not be applicable in the case of a person with a history of drinking-related problems. However, voluntary consumption of vast amounts of intoxicants should not, in all fairness, render a guilty person innocent.

Lawyers are arguing that any new law must balance the rights of an intoxicated accused with the rights of a victim. The minister has said that, overall, there should be accountability, but we are now seeing a backlog of cases and appeals dealing with this defence and the prospect of no new law in place for several months.

It has been said in the media that the reason for delay in introducing government legislation is that the bureaucrats from the Department of Justice will need time to deal with their counterparts in each of the provinces. In the meantime, the defence is being used liberally by lawyers across the country.

The minister is quoted in *The Globe and Mail* of November 2, 1994, as saying that it would be several months before any law would come out of the discussion paper which he has released. "That's the machinery of government," he said. "We're doing the best we can." Canadian people and Canadian women are looking for more than a mechanical excuse. They are looking for real understanding, compassion and leadership from this government.

In a dissenting opinion in the *Daviault* case, Mr. Justice John Sopinka wrote that one of the main purposes of the criminal law is the protection of the public.

> Society is entitled to punish those who of their own free will render themselves so intoxicated as to pose a threat to other members of the community.

How can anyone explain to a child who has been raped that somehow it was okay because the man was drunk? As a legislator, I would not be able to do that.

On motion of Senator Bernston, for Senator Lavoie-Roux, debate adjourned.

• (1350)

## REVIEWING CANADA'S FOREIGN POLICY

### RULING BY SPEAKER OF THE HOUSE OF COMMONS— POINT OF ORDER

**Hon. Allan J. MacEachen:** Honourable senators, I rise on a point of order in connection with the report of the Special Joint Committee on Reviewing Canada's Foreign Policy. The point of order is in respect of a ruling by the Speaker of the House of Commons which has a bearing on the Senate, and in particular, whether a ruling from His Honour in the House of Commons automatically carries with it the concurrence of the Senate in a matter which is within the joint custody of the House of Commons and the Senate.

I assure you that my comments do not affect in any way the respect and esteem I hold for the Speaker of the House of Commons. However, my point of order is in connection with a very important matter respecting the relationship between the two houses.

Honourable senators, those of you who have looked at the report of the Special Joint Committee on Reviewing Canada's Foreign Policy will recall that it was presented in three volumes. The first volume is the report itself entitled, "Canada's Foreign Policy: Principles and Priorities for the Future." The second volume is entitled, "Dissenting Opinions and Appendices." The third volume is entitled, "Position Papers." I wish to refer particularly to volume two, "Dissenting Opinions and Appendices." That volume contains the dissenting opinion of the Bloc Québécois and the dissenting opinion of the Reform Party.

Honourable senators, if you look at the dissenting opinion presented by the Bloc Québécois, you will notice that it is a stand-alone report with a table of contents, an introduction, and six chapter headings with a conclusion.

Chapter 1 is entitled, "Canada in an Evolving Global Context"; Chapter 2, "Canada and Jurisdiction in the Area of Foreign Affairs"; Chapter 3, "Culture, Education and La Francophonie: The Federal Government's Claims," and so on. You will further notice that the total dissenting opinion occupies 26 pages and is, in a sense, a stand-alone report. The Reform Party presented dissenting opinions which occupied three pages.

The co-chairs of the joint committee decided that, in light of the character of the dissenting opinions, and particularly the one from the Bloc, those opinions ought to occupy a separate volume. Thus the main report would be circulated as the report of the committee, and the dissenting opinions would form part of a volume which would include the appendices. If the alternative had been done, presumably we would have a volume of rather large thickness, which is hardly user-friendly.

In any event, honourable senators, the co-chairs deliberated upon this matter, sought the opinion of those who advise on such matters, and concluded that the decision was totally in accord with the Standing Orders of the House of Commons. Whether there is a Standing Order in the Senate covering this subject is another matter.

**Senator Lynch-Staunton:** I hope not.

**Senator MacEachen:** In any event, the volumes were released. The Reform Party did not complain. The official opposition in this place did not complain. However, the Bloc Québécois vigorously complained in the House of Commons and stated that their dissenting opinion, or any dissenting opinion, ought to constitute part of the main report.

There was then a debate in the House of Commons in which the co-chair from the House of Commons — at that time, Senator Gauthier — participated. His Honour made a ruling that the spirit of the standing order had been observed, but that the letter of the standing order had not been followed. His Honour said, at page 8253 of the *House of Commons Debates* of November 24, 1994:

> However, I am of the opinion that the report does not meet the letter of the standing order. Therefore, should a reprint be required, I am instructing my officials to ensure that the dissenting opinions of the Official Opposition and Reform Party be printed after the signatures of the co-chairs in the same volume.

Honourable senators, a number of questions arise from this ruling. The one that is of particular importance to the Senate is whether or not the Senate has any authority whatsoever over this matter. If so, why is it that a report which is a joint product is not subject to the authority of the Senate as well as to the House of Commons? I would argue that because the report is the result of a joint study, any decision on this point should be a concurrent decision, and agreed upon between the House of Commons and the Senate.

I have other questions, honourable senators, but I believe that, as co-chair from the Senate, I am entitled to express a view on this matter and to have an opportunity to argue with my colleagues in the Senate why this decision was an appropriate one, and why it may be inappropriate to reverse it at this stage, disassemble the report and produce it in a new format.

I think a reprinting will be required. I was informed yesterday that it is impossible to obtain additional copies from the distribution office and that, therefore, the matter of a reprint may be considered very soon.

I think it would be in order to have both houses decide on this matter, and to have an opportunity for both co-chairs to argue that the decision taken at the time was an appropriate one, and that it ought not to be reversed at this stage.

[*Translation*]

• (1400)

**Hon. Jean-Robert Gauthier:** Honourable senators, in my first speech in this house, I would not want to give the impression of being someone who challenges the authority of the Speaker, especially not the Speaker of the House of Commons where I spent 22 years.

I think we must deal with this problem once and for all, and I am referring to whether the Standing Orders of the House of Commons apply to special joint committees of the House of Commons and the Senate.

If you look at the Standing Orders of the House of Commons, you will see that Standing Order 108, which was used in this case to support the decision of the Speaker of the House of Commons, does not apply to special committees of the House of Commons and the Senate, at least according to me.

If the Standing Orders of the House of Commons do not apply, then we will have to spend some time thinking about this particular decision. I think we will need the cooperation of both Houses to establish certain rules that will apply to these reports.

I will not repeat Senator MacEachen's arguments, which I endorse, but perhaps I may add a few points in an attempt to persuade this honourable house to act on this matter. It will cost thirty or forty thousand dollars more to reprint the report in the form proposed by the Speaker of the House of Commons and the Bloc Québécois. Since financial considerations are an important factor nowadays, I think it would be advisable to think about that aspect. It will cost quite a lot of money to prepare the plates and send everything to the printers.

There is another point I would like to make. I read the ruling by the Speaker of the House of Commons, and I think he was somewhat ill-advised to use the Standing Orders of the House in the case of a joint committee of the House and the Senate. I think discussions are in order so that we can deal with this issue once and for all.

Meanwhile, I think there is a vacuum with respect to these joint reports with the House of Commons.

There are other points I could make, but I do not want to take up too much of your time. I simply want to say that there are a number of things that must be settled. Senator MacEachen mentioned that the report consisted of four volumes. These were distributed together in a single envelope or a folder. Ten thousand pages of testimony were given by Canadians at our hearings and, as the senator pointed out earlier, it was quite impossible to put everything into one volume. We decided to have three additional volumes.

In the Standing Orders of the House of Commons it clearly says that certain opinions should be joined in an appendix. We did this to save money and to avoid making the report too bulky and difficult to handle.

I think honourable senators would be well advised to take a close look at the rules, or establish a set of rules for approval by the House of Commons and the Senate, in order to deal with a matter that, right now, is a very grey area, and which the House of Commons is using to support its position.

I think a rather important principle is at stake here. As I see it, the Speaker of the House of Commons cannot make this kind of decision without consulting with the other house, this one, and obtaining its approval.

[*English*]

**Hon. Gerald R. Ottenheimer:** Honourable senators, perhaps Senator MacEachen or Senator Gauthier would agree to a question. It is obviously an interesting and very important question which has been raised. We have a joint committee presenting a report composed by members from both houses of Parliament. A decision has been made by the Speaker of the House of Commons, but not by the Speaker of the Senate.

Presumably the ruling by the Speaker of the House of Commons determines the form of distribution of a reprinting, or the form of distribution in that House. I do not see how the Speaker of the House of Commons can influence the form of distribution in the Senate.

Would Senator MacEachen's point be appropriately met, irrespective of how the report is distributed in the House of Commons — one volume or three volumes — if in the Senate the distribution of the reprint were in a three-volume format or the format which exists now? Perhaps honourable senators opposite or former co-chairmen of the special committee would know. Would the point of order be met if the Senate reprinted in the present format? Is part of the honourable senator's point of order that the same format apply in both places?

**Senator MacEachen:** Honourable senators, before I answer Senator Ottenheimer's question, I should clarify what the Speaker in the House of Commons said, which was to the effect that what had been done does not meet the letter of the standing order, but does meet the spirit of the standing order.

My direct answer to Senator Ottenheimer is that insofar as the Senate is permitted to determine its own affairs, I would argue that it ought to authorize the reprinting in the present form. If that were done, I could not argue what ought to be done in the House of Commons. It would meet the point of order I raised, namely, that the Senate ought to have a say in this matter, and that the present method of distribution ought to be maintained.

However, having said that, it would be a bit odd to distribute the report of the special joint committee in one form by the House of Commons and another form by the Senate. It would be an unusual result.

However, that would be better than having the wishes of, in this case, the co-chairs, both of whom are now in the Senate, overruled, with the attendent result that the reprint would be rather bulky and the reader would be denied the opportunity of reading these volumes individually, which is the basis upon which they were written. That is my answer.

It would be preferable to reach a solution that respects the role of the Senate and the role of senators in presenting the report and avoid the outcome which has the House of Commons determining for the Senate on a matter which ought to be a joint decision. That is my conclusion.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Where do we go from here, honourable senators? Senator MacEachen has raised a point of order. There should be a ruling on it. I am interested in his arguments and those supported by Senator Gauthier. Have the House of Commons rules prevailed in the determination of how joint committees operate, rather than Senate rules? Is that correct or not?

• (1410)

**Senator MacEachen:** If that is a question to me, I am not sure that I am capable of giving an answer because I have not met the problem in the past. I have been looking at one or two references. For example, the Twenty-first Edition of Erskine May *on Parliamentary Practices*, page 665, reads as follows:

> For a joint committee to act on an authority which had been delegated to it by one House only would be ultra vires.

In this case, the joint committee is defunct and all the members have ceased to be members of the joint committee. The joint committee has disappeared. Certainly it would appear that Erskine May would support the contention that both houses ought to decide on a matter of this kind.

We know that the costs of the joint committees, including the printing of reports, are shared between the two houses. However, there is a more fundamental principle than any which I could invoke, and that is that the Senate is a chamber of Parliament. It is equal. Some people call it the Upper House. However, it certainly has an equal role in legislative functioning. No bill can be passed without the concurrence of the Senate. Why should it be possible to have the way in which the work of joint committees is produced determined by the House of Commons and not through a joint exercise?

I, personally, believe that the presentation of the report in three volumes makes a lot of sense to the reader, and it gives the reader an opportunity to deal with these reports in an orderly way.

**Hon. Lowell Murray:** Honourable senators, Senator Corbin will recall that some years ago there was a dispute as to which rules apply to a joint committee. That dispute took place in the Special Joint Committee on Official Languages, of which he and I were the co-chairmen.

The question was with regard to a rule of the House of Commons which stipulated that a quorum necessarily consisted of members of both government and opposition, if I recall correctly. The members on the committee from the House of Commons insisted that that rule should apply to the joint committee. We on the Senate side denied its applicability. The solution which was eventually arrived at was that the joint committee had to pass its own ground rules governing such matters as quorums in the joint committee.

I agree with everything Senator MacEachen has said concerning the problem posed by Speaker Parent's ruling, in view of the fact that we are speaking of a special joint committee. The fact of the matter is, and I think it is worth noting, that the Senate pays, I believe, one-third of the budget of a committee such as that. That fact should be taken into consideration.

I should like to bootleg one opinion into this discussion: Whatever the practice may be in the House of Commons with regard to publishing dissenting reports — and we have no rule here permitting that — I hope that that practice does not creep into our Senate customs any more than it has already done.

On any committee of which I have been a member, and certainly any committee of which I have been chairman, we have tried to accommodate the views of the minority of the committee by stating in the body of the report, with respect to this or that recommendation, that it was supported by a majority, or not supported by Liberal senators or Conservative senators, as the case may have been.

Generally speaking, we have not encouraged or permitted the publication of dissenting "stand-alone" reports. I think it is sufficient to make the accommodation in the body of the report, with the majority opinion carrying. If there are those in the Senate who do not agree with the committee report, they have an opportunity to say so at length when the report is debated.

**Senator MacEachen:** Honourable senators, if I may make one further comment, stimulated by the remarks of Senator Murray in which he asked the very valid question as to which rules apply, there is a standing order in the House of Commons which provides for dissenting opinions — not minority reports, but dissenting opinions. As I recollect, the standing order provides that the dissenting opinions must be relevant, and brief. Each of us would decide for himself whether the dissenting opinion in this case is brief in relation to the size of the overall report, and whether its contents meet the test of relevancy.

It seems to me that if it is now open to revisit the decisions taken by the co-chairs in authorizing the method of printing, then it is equally valid for someone in either house to raise the question of whether the other standing order has been followed; namely, that order concerning relevancy and brevity, and whether, if there is to be a reprinting, an adjudication ought to be sought from a higher authority as to whether this particular dissenting opinion is in conformity with the standing order calling for brevity and relevancy. It would require a great deal of evidence, which is not presently available to anyone, to conclude that this dissenting opinion is brief. It would require, perhaps, not as much evidence, but some argument to prove that every aspect of it is relevant. In the circumstances, the co-chairs decided to accept this dissenting opinion with their thoughts unexpressed.

• (1420)

If the work of the joint committee is open to review and to the decision that the volumes ought to be reunited, then it is equally open to us to argue that these dissenting opinions ought to be tested against the rules presently in existence.

**Hon. John B. Stewart:** Honourable senators, Senator Murray has asked which rules ought to apply, and that is a good question. I suggest that, perhaps, both sets of rules ought to apply.

Let us take a bill as an example of a joint instrument. The rules of the House of Commons apply to that bill when the bill is in the House of Commons. The *Rules of the Senate* apply when the bill is in the Senate. The bill does not go forward for Royal Assent until it has satisfied the rules of this house, as well as those of the other House.

In this case, we have a report which was produced by a special joint committee of both houses. It appears that an authority in the other House has undertaken to change that document.

The committee decided on the substance and the form of the report. It now appears that the Speaker of the House of Commons has decided to change the form of the report, thus creating a new document. It seems to me that to present that new document as the report of a special committee of the Senate and the House of Commons is misleading.

Would a bill go forward for Royal Assent having satisfied the rules of only one house? Should this report be put before the public in the form determined by the Speaker of the House of Commons? I think not.

This is a most serious question. I am pleased that Senator MacEachen raised it and that Senator Murray spoke so effectively on it, as did the Honourable Senators Lynch-Staunton and Gauthier. I do not want to suggest that this is the top of a slippery slope. However, I ask honourable senators to consider some of the implications. One implication is that a report produced by a special joint committee can be changed in its form in the other place and yet be presented to the public as the report of a special committee of the Senate and the House of Commons of Canada, when, of course, it is not.

**Hon. Eymard G. Corbin:** Honourable senators, I am not at all familiar with the circumstances of the ruling of the authority in the other place. I hesitate to voice any kind of personal opinion with respect to this controversial matter.

However, it seems to me that inasmuch as the Senate in its own right can accept or refuse to join with the other House in a joint standing or special committee, then surely it has control as well over the contents of its report.

Again, I hesitate to voice an opinion, and perhaps it would be better if I did not. However, in the circumstance, I have a feeling that the matter should have been referred to the committee. There are provisions to that effect. In fact, *Beauchesne's Parliamentary Rules & Forms* comments at length on the procedure and circumstances under which that could be done.

I know that Senator MacEachen may have arguments in reserve with respect to this matter. Having observed him over the years, I know that he does not deploy all his missiles at once. He is a great strategist. Nevertheless, personally, I do not like the idea that someone can meddle with the affairs of a committee.

Of course, once the report is tabled, the committee is defunct and the matter falls within the purview of the House. I think Senator MacEachen is right in this instance in saying that the matter is also before this house. Yet, we are faced with a fait accompli by reason of a decision taken in the other place.

Even though the House of Commons co-chairman is now one of us, nevertheless he can be replaced on the other side. They can choose another co-chairman. The House of Commons or the government could take the initiative to refer the whole matter to the committee, and the committee could take the matter in its hands and report to the house. If, indeed, there is a change in the nature of the report, the matter should be referred to the committee.

**Senator Gauthier:** Honourable senators, unaccustomed as I am to the *Rules of the Senate*, I want to make two points.

First, this is a report of Parliament. Parliament is composed of both houses. I object strongly to the result, which may be an oversight on the part of the publishers, or the ones who did the "mise en page," as we say in French.

However, if you read the French version, you will see that it states:

[*Translation*]

> Le Sénat et le Président de la Chambre des communes accordent par la présente l'autorisation de reproduire la totalité ou une partie de ce document.

In English — and listen to this — all that is said is, and I quote:

[*English*]

> The Speaker of the House hereby grants permission to reproduce this document...

There is no mention of the Senate. I take it that the document was read in English by those who thought Standing Order No. 108 applied, that being the standing order under which the Speaker of the House ruled.

In his decision, the Speaker said that the decision of the joint chairs to produce the document in that format does not meet the letter of the standing order. I take exception to that. I wish I could have argued this in the other place, but I shall do it here in a brief way.

[*Translation*]

Let me read you that part of Standing Order No. 108(1)(*a*) which relates to the report, and which is to the effect that committees are empowered, and I quote:

> ...to report from time to time and to print a brief appendix to any report...containing such opinions or recommendations, dissenting from the report or supplementary to it...

Honourable senators, this is what we did. We included the Bloc's dissenting opinions in an appendix. I do not see any problem with that.

What irritates me more than all this is the fact that the decision was made unilaterally and at least to my knowledge, without consulting this house. I think we must pursue the matter and settle this issue as quickly as possible.

[*English*]

• (1430)

**Senator Lynch-Staunton:** Honourable senators, we have learned from this situation that, should we decide to join the House of Commons on another committee, we must ensure that the rules of neither house prevail over those of the other.

The committee has been disbanded, its function having been accomplished, its report having been tabled. The three volumes are the official report of the committee. If the House of Commons feels, by its own rules, that the report should be reprinted in a different fashion, let them do so. However, this place should not be committed by their orders. At the same time, let them reprint it at their own expense.

**Senator MacEachen:** Will we have the money to produce ours?

**Senator Lynch-Staunton:** We have paid for ours.

**The Hon. the Speaker:** Honourable senators, a point of order has been raised by the Honourable Senator MacEachen. It is both extremely interesting and very important. It is indeed a unique event that both co-chairmen have ended up in this chamber; an event which will likely not repeat itself.

Insofar as the specific point raised by Senator MacEachen, I wish to assure the house that there has been no consultation with me by the House of Commons in this regard. To the best of my knowledge, neither was there any consultation with my predecessor. However, the point having been raised, and insofar as the specific point of the present ruling is concerned, I will undertake to find out whatever I can in that regard.

Regarding the broader question raised in the debate, "What controls joint committees?" I assume that would come under the jurisdiction of the Standing Committee on Privileges, Standing Rules and Orders and not under my direct jurisdiction. With respect to the specific point, however, I will collect all the information I can and report back to the Senate.

## DEPARTMENT OF NATURAL RESOURCES BILL

### REPORT OF COMMITTEE

**Hon. Colin Kenny,** Deputy Chairman of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Wednesday, November 30, 1994

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

### NINTH REPORT

Your Committee, to which was referred the Bill C-48, An Act to establish the Department of Natural Resources and to amend related acts, has, in obedience to its Order of Reference of Tuesday, November 29, 1994, examined the said Bill and has agreed to report the same without amendment.

Respectfully submitted,

COLIN KENNY
*Deputy Chairman*

### THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Colin Kenny:** With leave of the Senate, and notwithstanding rule 58(1)(*b*), I move that the bill be read the third time now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill read the third time and passed.

## ABORIGINAL PEOPLES

### NATIVE SELF-GOVERNMENT—ORDER STANDS

On the Order:

**By the Honourable Senator Twinn:**

21st June, 1994—That he will call the attention of the Senate to the issues surrounding native self-government and the work he has been doing in this area over the past several months.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, this inquiry in the name of Senator Twinn has the number 14 beside it, which means that, in the ordinary course of events, it will reach number 15 tomorrow and be dropped from the Order Paper.

As we all know, Senator Twinn has been away convalescing, and is doing very well. He plans to be back here next Wednesday and wishes to speak to this inquiry at that time. I would ask, with leave, that this inquiry be permitted to stand on the Order Paper, in spite of the fact that the 15 days have expired, and I make that request on behalf of Senator Twinn.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Order stands.

## LAW OF PARLIAMENTARY PRIVILEGE

INQUIRY—DEBATE ADJOURNED

**Hon. Anne C. Cools** rose pursuant to notice of Thursday, November 24, 1994:

> That she will call the attention of the Senate to the Law of Parliamentary Privilege, including its definitions, its exercise and extent, its historical and constitutional development, and its current status in Canada.

She said: Honourable Senators, it is my intention today, in speaking to this inquiry, to present to senators a brief historical survey and definition of the law of parliamentary privilege. In the words of Sir Erskine May, in his famous work *Parliamentary Practice*:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals.

The law of parliamentary privilege is that body of law comprising the ancient and undoubted rights of Parliament; laws developed to serve the rights of the population. They are representative laws which ensure that Parliament is able to perform its representative duties and functions, thus providing its citizens with good representation in governance. The law of parliamentary privilege developed in concert with representative government and its consequent responsible government. While the law is indeed ancient and its history complex, it is a living part of the daily work of Parliament.

The law of privilege belongs to the Senate corporately, that is, to Parliament collectively, and is enjoyed by senators individually. As part of the *lex et consuetudo parliamenti*, the laws of privilege are a part of the general and public law of the land.

In 1967, the Select Committee on Parliamentary Privilege of the House of Commons of the United Kingdom reported in part as follows:

> Insofar as the House claims and Members enjoy those rights and immunities which are grouped under the general description of "privileges," they are claimed and enjoyed...on behalf of the citizens whom they represent.

Viscount Kilmuir, the Lord Chancellor of the House of Lords of the United Kingdom, stated:

> At no time has privilege been accorded as an end itself; it has never been, and is not now, designed to benefit M.P.s personally.

The history of privilege is long and tortuous in the constitutional history of the United Kingdom and in Canada, and has been a matter that hurried many to an early death. Modern privilege is immediately and directly traced to the House of Commons Protestation of 1621 which held that:

> ...The Commons now assembled in Parliament...do make this protestation following: that the liberties, franchises, privileges, and jurisdictions of Parliament are the ancient and undoubted birthright and inheritance of the subjects of England...
>
> ...and that every member of the said House hath like freedom from all impeachment, imprisonment, and molestation (other than by censure of the House itself) for or concerning any speaking, reasoning, or declaring of any matter or matters touching the Parliament, or Parliament business...

This protestation began the fierce constitutional struggles of the seventeenth century. These constitutional struggles, between the Stuarts and the United Kingdom House of Commons for the privileges and the powers of the House of Commons, were bloody. These issues were mostly settled in the Bill of Rights of 1689, which declared statutorily the law of privilege. Article 9 of the Bill of Rights reads:

> That the Freedom of Speech, and Debates or Proceedings in Parliament, ought not to be impeached or questioned in any Court or Place out of Parliament.

Accommodation between the Rex and the Lex had been attained.

In pre-Confederation Canada, however, the constitutional conflicts continued. The colonial assemblies fought for the same privileges as the House of Commons of the United Kingdom. It was, honourable senators, a contentious struggle. One legal opinion, by barristers W. Garrow and S. Shepherd to the Hon. Earl Bathurst, the Colonial Secretary, in 1815, determined in part as follows:

> In answer to the second question, "Whether the Assembly is entitled to all the Privileges to which the House of Commons of the imperial Parliament are entitled under their own peculiar Law, the Lex Parliamentaria..." We beg to report, that we think they are not so entitled.

The struggle continued. The benchmark case was in 1842 in Newfoundland. *Kielley v. Carson* defined the limits of pre-Confederation legislatures in respect of privilege. The issue was whether the power to commit for contempt is incidental to every local legislature. The Supreme Court of Newfoundland found in favour of the Newfoundland assembly. However, in the appeal to the Judiciary Committee of the Privy Council, Chief Baron Parke disagreed and found that:

> The House of Assembly of Newfoundland is a Local Legislature with every power reasonably necessary for the proper exercise of their functions and duties; but they have not, what they erroneously supposed themselves to possess, the same exclusive privileges which the ancient law of England has annexed to the House of Parliament.

An interesting note about this case is that the Newfoundland assembly, by Speaker's Warrant, sent its Sergeant-at-Arms to arrest the judge and the sheriff who had offended the privileges of the legislative assembly.

At Confederation in 1867, the Fathers of Confederation and Lord Carnarvon, the then Colonial Secretary, settled conclusively

the issue of privilege in British North American legislative assemblies. They settled it by express and deliberate statutory grant in Section 18 of the new Constitution, the British North America Act, 1867. By grant, the Dominion Parliament was conferred with the full powers and privileges of the *lex et consuetudo parlimenti* of the United Kingdom.

In 1875, the Imperial Government passed the Parliament of Canada Act amending Section 18 to read as it currently does. This amending act of 1875 was enacted precisely to clarify the powers and privileges of the Dominion Parliament. The amending act was entitled:

> An Act to remove certain doubts with respect to the powers of the Parliament of Canada, under Section 18 of the British North America Act, 1867.

It further stated:

> And whereas doubts have arisen with regard to the power of defining by an Act of the Parliament of Canada, in pursuance of the said section, the said privileges, powers or immunities; and it is expedient to remove such doubts...

Consequently, Section 18 of the British North America Act, 1867, as amended in 1875, now reads:

> The privileges, immunities and powers to be held, enjoyed, and exercised by the Senate and by the House of Commons, and by the Members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that any Act of the Parliament of Canada defining such privileges, immunities, and powers shall not confer any privileges, immunities, or powers exceeding those at the passing of such Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the Members thereof.

Section 18 of the British North America Act conferred on the Senate of Canada the same privileges, immunities, and powers as held by the House of Commons in the United Kingdom.

It was not until 1896 that the privileges, powers and immunities of the provincial legislatures were finally settled in the case of *Fielding v. Thomas*. Today, we find these privileges confirmed in Sections 4 and 5 of the Parliament of Canada Act, R.S.C. 1985, which is the descendant of the Senate and House of Commons Act. Section 4 of that act reads:

> The Senate and the House of Commons, respectively, and the members thereof hold, enjoy and exercise
>
> (*a*) such and the like privileges, immunities and powers as, at the time of the passing of the *Constitution Act, 1867*, were held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom and by the members thereof, in so far as is consistent with that Act; and
>
> (*b*) such privileges, immunities and powers as are defined by Act of the Parliament of Canada, not exceeding those, at the time of the passing of the Act, held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom and by the members thereof.

Section 5 of the Parliament of Canada Act commands all judicial officers, lawyers, judges of Canada to take judicial notice of these privileges, stating:

> The privileges, immunities and powers held, enjoyed and exercised in accordance with section 4 are part of the general and public law of Canada and it is not necessary to plead them but they shall, in all courts in Canada, and by and before all judges, be taken notice of judicially.

I should first like to enumerate some of these privileges. First, and oldest, among these privileges is the claim of Parliament to the attendance and service of its members. Other related privileges include:

> —the freedom of speech in debates and proceedings in Parliament, as granted in the Bill of Rights. This privilege extends to witnesses before parliamentary committees.
>
> —the control over publication of proceedings of Parliament.
>
> —the freedom from civil arrest and molestation by civil process.
>
> —the exemption from jury service, and exemption from attendance as a witness.
>
> —the duty of members to maintain freedom of speech.
>
> —the privilege and power to institute inquiries and to require the attendance of witnesses and the production of documents. This privilege is known as the "inquisitorial powers" of Parliament.
>
> —the privilege to exclude strangers from debates, from proceedings, and from voting in the Houses of Parliament.
>
> —the privilege and power of Parliament of discipline over its members, including the power of expulsion.
>
> —and the privilege and power to administer oaths to witnesses.

Another of Parliament's fundamental privileges is the regulation of its own internal affairs, precincts and administration, free from outside interference, including from any court.

The Senate, as we know, controls its own security, its own administration, its own precincts, its own staffing, and its own financial management. Parliament enjoys the privilege of controlling the admission of persons to the precincts, even including the management of tourists. Parliament's inherent authority prohibits many activities in the precincts, including the bearing of firearms and the service of legal process in the precincts.

On Parliament's privilege of control of its own business, *Beauchesne's Parliamentary Rules & Forms of the House of Commons of Canada*, 6th Edition, states clearly in paragraph 33:

> The most fundamental privilege of the House as a whole is to establish rules of procedure for itself and to enforce them.

Parliament also possesses the power and privilege of penal jurisdiction of the houses of Parliament, and the power to punish for contempt of Parliament, including commitment, reprimand and admonition.

Honourable senators, the law of parliamentary privilege does not attach to criminal or treasonous behaviour of members. Parliament is not a sanctuary for criminals, as in the case of Lord Cochrane in 1815.

It is useful to note that each and every one of the provincial assemblies, even the territorial assemblies, has codified their parliamentary privileges and has passed statutes to that effect. To be noted is that British Columbia's statute is entitled the "Legislative Assembly Privilege Act, 1979."

On the law of privileges, in particular the privilege of attendance, the authorities have this to say. Joseph Maingot, in his book *Parliamentary Privilege in Canada*, stated:

> The concern was to secure the attendance of members and it remains to this day the principal reason for the privilege of freedom from arrest, from attending as a witness in a court or elsewhere than Parliament, and from serving on a jury. This is because the most important body in the country, the Parliament of Canada, has first call on the services of its members and...Parliament will not tolerate impediments to members who are on their way to attend the sittings.

Joseph Maingot further said:

> Since Parliament has the paramount right to the attendance and service of its members, any call for the member to attend elsewhere while the House is in session is not in law a call that need be answered.

Our Writ of Summons from the Governor General appointing us to the Senate reads as follows:

> AND WE do command you, that all difficulties and excuses whatsoever laying aside, you be and appear for the purposes aforesaid, in the Senate of Canada at all times whensoever and wheresoever Our Parliament may be in Canada convoked and holden, and this you are in no wise to omit.

Sir John George Bourinot, a Canadian, stated in his work *Parliamentary Procedure and Practice*:

> That it is amongst the most ancient and undounted privileges of parliament that no member shall be withdrawn from attendance on his duty in parliament to attend any other court.

John Hatsell, who was for 50 years the Clerk of the House of Commons in the U.K., in his book *Precedents of Proceedings in the House of Commons*, stated:

> As it is an essential part of the constitution of every court of judicature, and absolutely necessary for the due execution of its powers, that persons resorting to such courts, whether as judges or as parties, should be entitled to certain Privileges to secure them from molestation during their attendance; it is more peculiarly essential to the Court of Parliament, the first and highest court in this kingdom, that the Members, who compose it, should not be prevented by trifling interruptions from their attendance on this important duty, but should, for a certain time, be excused from obeying any other call...

Albert B. White, in his book *The Making of the English Constitution*, wrote:

> In connection with most early assemblies that were in any way identified with the king, is to be found some idea of a royally sanctioned safe-conduct; the king's peace was to abide in his assembly and was to extend to the members in coming to it and returning from it. Naturally, these royal sanctions applied to Parliament. But as time went on, molestation of members was more likely to be through some process of law than through direct bodily injury or restraint.

Sir Erskine May, on Parliament's privilege of the regulation of its own internal affairs, as expressed in the prohibition of service of court process within the precincts of Parliament, stated:

> The service of a subpoena to attend as a witness has been treated as a breach of privilege by the House...and the parties responsible for service have on occasions been committed to the Serjeant for contempt.

Furthermore, Joseph Maingot, on the matter of the precincts of Parliament, the management thereof, and freedom from interference therein, wrote:

> It is the function of the precincts that is "sacred" and not its location.

That Parliament controls its own administration, its own internal procedures, and its own precincts is a well-established privilege.

Honourable senators, I have given a summation of some of Parliament's privileges. There are others. There is a particular quotation which I would like to share with you concerning the matter of the procedure of raising a question of privilege in this chamber. With regard to raising a question of privilege, our own rule 43(1)(*a*) states:

> It must, *inter alia*,
>
> (*a*) be raised at the earliest opportunity;

The matters of privilege and the rules thereon have been extensively studied in the United Kingdom jurisdiction. The

1967 report of the United Kingdom Select Committee on Parliamentary Privilege recommended that the wording "earliest opportunity" of the rule be changed. The report stated:

> A Member who intends to make a complaint of contempt will as promptly as is reasonably practicable (but not necessarily, as now, at the earliest possible moment) give to the Clerk to the Committee of Privileges notice of his intention...

That recommendation was repeated in this committee's report in 1977.

**The Hon. the Speaker:** Honourable senators, I regret that I must interrupt Senator Cools but her time has expired. May she have leave to complete her comments?

**Hon. Senators:** Agreed.

**Senator Cools:** On the issue of Parliament's right to defend privileges, and to act as a court in the adjudication of its breach and offence, *Halsbury's Laws of England* state:

> The House of Lords and the House of Commons claim for their members, both individually and collectively, certain rights and privileges which are necessary to each House to maintain its independence of action and the dignity of its position. Each House is the guardian of its own privileges and claims to be the sole judge of any matter that may arise which in any way impinges upon them, and, if it deems it advisable, to punish any person whom it considers to be guilty of a breach of privilege or a contempt of the House.

The law of parliamentary privilege is more critical today than ever. We are living in times of enormous uncertainty and instability. The unprecedented pressures on the nation-state, on governments and on institutions are profound. Even here in Canada, unity is uncertain as we face the second referendum on sovereignty in fifteen years. The existence of our political parties and their ability to form a national consensus is under great pressure, stressed at all levels and under unrelenting attack.

Simultaneously, there are several large interests encroaching on Parliament's jurisdiction, buttressed by other social interests, which are reliant on members of Parliament's timidity and inaction. However, the one interest which is least represented and least advanced is the public interest and their right to representation in Parliament. That is our interest, and that is the interest we must advance. That is our function. That is the function of Parliament. That function of Parliament is made possible by the law of privilege.

In conclusion, honourable senators, I would like to relate an instance in history in 1951 which was seared into my memory, into my psyche, when I was barely eight years old. The context is decolonization throughout the West Indies, Africa and the Empire. That era was extremely significant for my own family, some members of which were founding members of the Barbados Labour Party. They were similarly engaged in that the first general election by universal suffrage that same year returned two of my mother's brothers to the assembly.

The instance is as follows. On February 8, 1951, there was an election in the British colony of the Gold Coast, today called Ghana. During the previous year and during the election, Kwame Nkrumah, leader of the Convention People's Party, was detained in prison serving a prison sentence. From prison, he stood as a candidate in the electoral constituency of Accra Central. Honourable senators, he won that election. His victory was stunning and conclusive. Of the total 23,122 votes, he won all but 350. It was almost a unanimous victory.

Parliament's right to the attendance of its members and "Constitution" governed. The colonial office and the colonial secretary's response was profound. The governor of the Gold Coast, Sir Charles Arden-Clarke, sent for Nkrumah from prison to take his seat in the assembly. The governor asked Nkrumah, in accordance with the Constitution, as leader of the party with the plurality of seats, to form a government. Nkrumah did. Within a few days, he was Leader of Government Business, and within a few months, he was Prime Minister.

This event signalled the victory of "Constitution" in the colonial struggles for representative government and responsible government. It also, honourable senators, represents the victory of parliamentary privilege and the quintessential expression of privilege.

Honourable senators, the law of privileges in Canada is as intact today as it was 125 years ago. I will close by saying that absolutely no act has passed this Senate chamber to rescind or repeal any or part of the law of privileges granted 125 years ago.

On motion of Senator Carstairs, debate adjourned.

## STATE OF CANADIAN FINANCIAL SYSTEM

### BANKING, TRADE AND COMMERCE COMMITTEE AUTHORISED TO EXTEND DATE OF PRESENTATION OF FINAL REPORT

**Hon. Terry Stratton**, for Senator Kirby, pursuant to notice of Tuesday, November 29, 1994, moved:

> That notwithstanding the order of reference adopted by the Senate on Thursday, February 24, 1994, the Standing Senate Committee on Banking, Trade and Commerce be authorized to present its final report on the present state of the financial system in Canada in the wake of the major legislative and regulatory reform which took place two years ago, no later than December 21, 1995.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# APPENDIX

(*see p. 1012*)

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—NOMINEES TO CANADIAN AIRPORT AUTHORITY—POSSIBLE NEGOTIATION OF LEASE—GOVERNMENT POSITION—DELAYED ANSWER—PUBLIC ACCOUNTABILITY PRINCIPLES FOR CANADIAN AIRPORT AUTHORITIES AND CHART

AUGUST 17, 1994

# OVERVIEW

# COMPARISON BETWEEN THE NEW CANADIAN AIRPORT AUTHORITIES AND PREVIOUS LOCAL AIRPORT AUTHORITIES (LAA's)

| CANADIAN AIRPORT AUTHORITIES | LAA'S |
|---|---|
| 1. Part of a comprehensive approach to air transportation (National Air Strategy) | Separate approach to Airports and Aviation programs, resulting in uncoordinated initiatives |
| 2. Pro-active approach with the communities | Reactive to community |
| 3. National consistency with equitable treatment of all airports across the country. | Ad hoc, inconsistent treatment of individual airports |
| 4. Federal government retains ownership of National Airport System (NAS) airports. A continuing federal presence at those airports that are deemed to be nationally significant | Previous LAA transfer principles allowed for possible sale of NAS airports to LAAs, and privatization of major activities on a piecemeal basis (i.e. Pearson terminals) |
| 5. Pro-active in initiating operating efficiencies generating savings for the government and airport operator. | Transfer based on continuation of operational and financial status quo |
| 6. Phasing out of subsidies within a maximum of five years | Continuation of subsidies for an indefinite period of time |

| CANADIAN AIRPORT AUTHORITIES | LAA'S |
|---|---|
| 7. Enhanced accountability for CAAs | LAAs less accountable to their stakeholders |
| 8. Board of directors shall include representative of business community, organized labour, and consumer interests. | No obligation |
| 9. Provision for appointment of federal & provincial government nominees. | No provision |
| 10. Acceptance of process for nominating, appointing & revoking appointments for CAA board of directors required by a formal resolution of councils of local and regional governments. A visible form of accountability. | No formal resolution required |
| 11. As a general practice, competitive tenders for contracts in excess of a total of $75,000. Details of such contracts not awarded through public tender to be set out in annual report and at annual general meeting. | No previous provision |
| 12. Requirement to give at least 60-day public notice in local media for a planned increase in user charges and explanation of the justification. | No previous provision |
| 13. Establishment of a Community Consultative Committee, to meet no less than twice a year. | No previous provision |
| 14. Nominees must make conflict of interest declaration prior to appointment, and make annual statement of compliance or non-compliance. | Only had to comply with conflict of interest guidelines once appointed. No provision for statement of compliance or non-compliance. |

jg/overview.3

# PUBLIC ACCOUNTABILITY PRINCIPLES FOR CANADIAN AIRPORT AUTHORITIES

Corporate Planning/Airport Transfers (AKZ)
Airports Group
Transport Canada

July, 1994

# PUBLIC ACCOUNTABILITY PRINCIPLES FOR CANADIAN AIRPORT AUTHORITIES

The Canadian Airport Authority (CAA) shall be incorporated in a manner consistent with the following principles:

## 1. Not-for-profit Corporation

The CAA shall be incorporated as a "not-for-profit" corporation under the **Canada Corporations Act Part II** or under appropriate provincial legislation.

## 2. Purposes (Objects) of the CAA

The CAA shall be incorporated for the general benefit of the public in its region and its purposes shall be to:

(a) manage, operate and develop the airport(s) for which it is responsible in a safe, secure, efficient, cost effective and financially viable manner with reasonable airport user charges and equitable access to all air carriers;

(b) undertake and promote the development of the airport lands for which it is responsible for uses compatible with air transportation activities;

(c) expand transportation facilities and generate economic activity in ways which are compatible with air transportation activities.

In the execution of its purposes the CAA shall confer regularly with governments and community entities on matters affecting the operation and development of the airport(s) for which it is responsible and shall engage in only those activities that are consistent with its purposes.

## 3. Definition of "Airport(s)"

The term "airport(s)" in the articles of incorporation shall mean the premises which Transport Canada will lease to the CAA and other airports for which the CAA may later assume responsibility.

## 4. Composition of the Board of Directors and Qualifications of Directors

The CAA shall be comprised of a board of directors of Canadian citizens nominated and appointed through a process acceptable to the local/regional municipal governments and the federal government;

**Note:** In this document the expression **"Nominators"** is similar in meaning to the expression **"Appointers"** used within the **Alberta Regional Airports Authorities Act (Bill 14).**

The CAA board of directors shall be representative of the community and, as far as practicable, shall consist of individuals who collectively have experience and have shown capacity in such disciplines as air transportation, industry, aviation, business, commerce, finance, administration, law, government, engineering, the organization of workers, or the representation of the interests of consumers, and who have the business acumen and experience to assist in the management of the affairs of the CAA as an ongoing, viable, commercial enterprise.

The board of directors shall include at least one representative of the business community, one representative of organized labour and one representative of consumer interests, each of whom shall be identified as such.

Directors of the CAA shall not be elected officials nor government employees.

The Chair of the board of directors shall not have been an elected official or government employee at any time during the two years prior to his* election as Chair of the board of the CAA.

**5. Acceptance of the Process for Nominating, Appointing and Revoking the Appointments to the Board of Directors**

Acceptance of the process of nominating, appointing and revoking the appointments to the board of directors shall be expressed by resolution of the councils of the local and regional governments as applicable and in writing by the Minister of Transport prior to the submission of an application for incorporation of the CAA.

**6. Number of Directors**

The board of directors shall have no fewer than seven and no more than fifteen members, and may include up to two directors nominated by the federal government and one director nominated by the provincial government. However, the federal government reserves the right to nominate an additional director to any CAA during the period in which it continues to be subsidized by the government. In this circumstance the permitted maximum number of directors shall be sixteen.

**7. Appointment/Nomination of Directors**

Nominations to the board of directors shall be made formally by a body or bodies corporate. The majority of all directors shall be nominated by local/regional governments of the area immediately served by the airport as well as by the federal and provincial governments as described below. Other directors may be nominated by business or other socio-economic organizations, such as Boards of Trade/Chambers of Commerce, labour councils and consumers' associations. The board of directors shall

*** Wherever "his" is used it shall be interpreted as "his" or "her".**

appoint all the duly designated nominees who meet the selection criteria and the conflict of interest requirements.

The federal government may nominate up to three directors, as set out in Section 6, who shall reside in the province in which the airport is located.

The provincial government shall be invited to nominate one director who shall reside in the province in which the airport is located and, where appropriate, also represent the satellite communities served by the airport.

The board of directors and, prior to incorporation of the CAA, the applicants for incorporation, shall consult with the nominators prior to the appointment of their respective director(s):

(a) to ensure that the candidates for the board of directors meet the qualifications set out in this document; and
(b) to comply with the Declaration provision set out in Section 9 (Conflict of Interest).

The board of directors of the CAA itself may nominate no more than three directors.

Each director shall be appointed by the board of directors to hold office during good behaviour for a term not exceeding four years. No director shall serve for more than two terms or eight years, whichever is longer.

**8. Revocation of Directors' Appointments**

The board of directors shall, normally at the request of the nominator of a particular director, by resolution approved by no less than two thirds of all directors of the CAA except the director in question, remove that director for cause.

Directors who were nominated by the board of directors of the CAA may have their appointment revoked by a resolution passed by no less than two thirds of all directors of the CAA except the director in question.

**9. Conflict of Interest**

**A. Declaration**

Prior to accepting an appointment to the board of directors the nominee shall notify the CAA board of directors and his nominator in writing of any business activity by the nominee or his associate (as defined in the **Canada Business**

**Corporations Act**) which would pose an actual or perceived conflict of interest in his capacity as a director of the CAA. The nominator may then decide to withdraw the nomination and, in any event, the board of directors itself shall then decide whether the nominee should be disqualified from appointment to the board of the CAA.

Similarly, if a change or anticipated change in circumstances creates for a director a continuing conflict of interest he shall inform the CAA board of directors and his nominator in writing. The board of directors shall then consult the nominator and promptly decide thereafter whether the appointment should be revoked.

## B. Code of Conduct

The board of directors shall adopt a Code of Conduct in its by-laws for directors, officers and employees, designed to prevent real and perceived conflicts of interest.

The Code of Conduct shall be provided to the nominators and published in local media at least 30 days prior to the first annual general meeting of the CAA together with invitations for written and oral comments to be submitted by the public. Subsequently, the Code of Conduct and proposed amendments shall be provided to nominators at least 30 days before each annual general meeting.

The Code shall be no less stringent than the rules respecting conflict-of-interest applicable to a director of a company incorporated under the **Canada Business Corporations Act**.

As a member of the CAA board of directors, each director holds a fiduciary duty to the CAA notwithstanding whatever relationship exists between himself and his **Nominator** (or the so-called **"Appointer"**).

## C. Non Arm's Length Transactions

The CAA shall obtain prior acceptance by the Minister of Transport that the financial terms and conditions of each intended use and occupancy of airport premises which would not be at arm's length from the CAA would produce for the CAA, gross revenue equivalent to that from an arm's length use and occupancy of the premises.

The annual report shall provide information concerning the parties, the financial particulars and circumstances of each such transaction entered into in the preceding year.

**10. Public Tenders**

To the extent practicable and with due consideration to Canada's international obligations, CAAs, which are private sector "not-for-profit" corporate entities, shall endeavour to optimize Canadian content and industrial benefits in their procurement of goods, services and construction contracts, particularly in the area of high technology services and equipment and construction contracting, in line with good private sector commercial practices where there is sufficient competition for such procurement in the Canadian market.

As a general practice, goods, service and construction contracts in excess of a total value of $75,000 (1994 dollars subject to annual adjustment for inflation) shall be awarded following a competitive public tendering process.

The CAA shall report at its annual general meeting and in its annual report, information concerning the contractor, the amounts and the circumstances of each such contract in excess of $75,000 which was not awarded on the basis of a public tendering process in the preceding year and the reasons for doing so.

**11. Audits**

The CAA shall cause financial audits to be conducted in accordance with generally accepted auditing practices.

Transport Canada shall at any time have the right to cause a complete audit by an independent auditor of the CAA's entire business affairs, records and procedures.

**12. Annual General Meetings and Reporting to the Public**

The CAA shall hold annual general meetings open to the public at which audited financial statements and the annual report are presented.

The CAA shall, within 135 days of the end of each of its fiscal years, hold an annual general meeting relating to the management, operation and maintenance of the Airport, at a location on or near the Airport and in premises that are adequate for the size of audience that may reasonably be anticipated.

The CAA shall:

- give at least 30 days' prior notice of each annual general meeting by using appropriate media to ensure public awareness of the meeting;

- afford a reasonable opportunity to the public for the asking of questions and the expressing of views;

- ensure that at least a majority of the members of its board including the Chair (or in the event of his or her inability to attend, the Vice Chair) and the Chief Executive Officer are present at each annual general meeting; and

- present to the annual general meeting copies of its audited annual financial statements approved by the board, together with the auditor's report and the CAA's annual report for the previous year.

In advance of each annual general meeting the CAA shall publish an annual report which shall include the financial statements of the CAA, the annual auditor's report, a summary of its affairs during the previous fiscal year and it shall, as a minimum:

a) report on performance relating to the business plan and objectives established by the CAA for the previous year and, as applicable, the past five year period;
b) explain variances and corrective actions taken by the CAA;
c) present for the up-coming year and for the forecast five-year period a summary of its business plan including specific objectives (measurable where feasible) relating to the purposes of the Authority;
d) report on the remuneration provided to each of the members of the board of directors and either the salary or salary ranges of each of the senior officers of the CAA;
e) report on the CAA's compliance and/or non compliance with the Conflict of Interest principles (paragraph 9).

The annual report shall be provided to each nominator and the Minister of Transport in advance of the annual general meeting as well as to the public on request.

## 13. Public Notice of Changes in User Charges

The CAA shall give not less than 60 days advance public notice through appropriate local media of planned increases in airport user charges (excluding rent). The notice shall include an explanation of the justification for such increases.

**14. Community Consultative Committee**

The CAA shall establish a Community Consultative Committee to provide for effective dialogue on matters related to the airport, including:

- the dissemination of information on airport matters and plans;
- the timely discussion of planning and operational matters; and
- the consideration of municipal concerns.

The Committee shall meet not less than twice each year.

It shall be generally representative of the community and shall include persons capable of representing the interests of consumers, particularly the travelling public, and organized labour.

**15. Special Meetings with the Nominators** (or the so called **"Appointers"**)

At the request of any nominator, the CAA shall cause a meeting to be held with the duly authorized representatives of the nominators at which the Chair and such other directors and officers of the CAA shall be present to respond to questions on matters of public interest concerning the business of the CAA. The request shall state the general nature of the business to be discussed.

**16. Reporting to Nominators** (Appointers)

A director shall report in general terms to the representative of his nominator, no less than once a year, information on the affairs of the CAA that is not confidential to the CAA. Ideally the board of directors as a whole should report collectively to the representatives of all the nominators.

**17. Performance Review**

- at least once every five years, the CAA shall cause a review of the CAA's management, operation and financial performance to be conducted by a qualified independent person ("the reviewer").

- the reviewer shall prepare a written report incorporating his findings on the review.

- the performance review shall be conducted on such additional occasions as the board of directors or a majority of the nominators may demand;

- the report of the reviewer shall include but not be limited to:

  a) the terms of reference of the review;
  b) the extent to which the CAA was operating
     i) a safe and efficient service to the public; and
     ii) an efficiently run undertaking in accordance with its business plans and purposes
  c) the extent to which financial and management control and information systems and management practices were maintained in a manner that provided reasonable assurance that
     i) the assets of the CAA were safeguarded and controlled; and
     ii) the financial, human and physical resources of the CAA were managed economically and efficiently and its operations carried out effectively.
  d) any further information that is reasonably required by any nominator or a majority of the board of directors of the Authority; and
  e) any concerns or qualifications that the reviewer has with respect to any matter described in this subsection.

- The report shall be provided to the Minister of Transport within three months of the commencement of the review. The reviewer shall also provide to each nominator both a report and a summary of the report, excluding commercially confidential material or personnel information of a private nature. If issues arise in the course of the review which prevent it being concluded on time an interim report and summary shall be submitted by the reviewer by the due date and a final report shall be submitted not later than six months after the commencement of the review. The summary of any interim report and of the final report shall be provided to the public on request.

Any nominator shall have the right to convene a meeting of the board of directors with the reviewer and the other nominators to determine, with the reviewer, the course of action to be taken to resolve problems disclosed by the reviewer's report.

**18. Public Access to Documents**

The CAA shall make available to any person, on request, for examination at its head office during its usual business hours and free of charge:

(a) the current Airport Master Plan;
(b) a summary of its current business plan for a five (5) year period;
(c) the most recent and the previous annual financial statements of the CAA and of each of its subsidiaries and of each corporation whose accounts are consolidated in the CAA financial statements, all with the accompanying auditors' reports on them;
(d) its five (5) most recent annual reports each of which shall include a general summary of its affairs during the previous fiscal year;
(e) summaries of its five most recent business plans;
(f) its articles of incorporation and by-laws, including any amendments thereto; and
(g) all signed airport transfer agreements as related to the transfer of the airport.

The CAA shall provide to any person, on payment of a reasonable fee, a copy of any document or portion of any document referred to above.

**19. Dissolution or Winding Up of CAA**

In the event of dissolution or winding up of the CAA all remaining assets, after payment of the CAA's liabilities, shall be distributed to the Government of Canada or alternatively to a successor organization to the CAA, acceptable to the Government of Canada.

**20. Amendments to Articles of Incorporation & By-laws**

No changes to the articles of incorporation or by-laws, insofar as they relate to the matters covered in these accountability principles, shall be made without the prior written approval of the Minister of Transport.

These 20 principles will be carried forward in the CAA constating/incorporating documents (e.g. Letters Patent and General Operating By-law), the ground lease or other instruments, as appropriate.

# THE SENATE

**Thursday, December 1, 1994**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### BOSNIA

UNITED NATIONS—FUTURE ROLE FOR PEACEKEEPERS

**Hon. B. Alasdair Graham:** Honourable senators, I have a few brief words to say about the situation in Bosnia.

I am tired of all the criticism being heaped on the United Nations as of late. I wish to emphasize that I am unequivocally proud of our peacekeepers. In spite of the present imbroglio, I remain a very deep believer in the peacekeeping traditions of our country.

We must remember, honourable senators, that we are presently involved in a situation which is infinitely more difficult and dangerous than anything we have previously faced. In a word, Bosnia is an assault on all the conventions we have traditionally associated with our global peacekeeping capacity.

Let us face it, honourable senators, we have a very extensive range of ideas on the table to improve the UN's capacity to deal with peace and security, the best known of which were outlined in the Secretary General's important contribution entitled, "An Agenda for Peace." However, for a variety of reasons we have not had the time or, in some cases, the will to restore and revitalize the institutions of the UN in such a way that it can deal effectively with the sheer enormity of the global crises which presently confront us.

Honourable senators, over the last few years the menu of disaster which the UN has been asked to respond to has been simply too extensive for the organization to bear. I have many thoughts on this. For example, I believe that regional organizations must begin to play their own respective roles in settling local instances of ethnic and national conflict. For the time being, however, we need some breathing space to improve and, so far as it is possible, perfect the machinery of the world body.

Honourable senators, it is important to remember that the Bosnias and Rwandas of this world have been matched by the Cambodias, the El Salvadors, and the Namibias of our time. Disaster, of course, always upstages success. That is a sad reality, but one we must keep in mind while we consider the significance for the United Nations.

Many would argue today that the West should retreat from the Balkans, which is, in a way, reminiscent of the sad retreat at Dunkirk. Those who feel this way do so on the basis that the United Nations has failed in Bosnia; that the dream of UN peacekeeping is now a nightmare; in effect, that the Bosnian tragedy has degenerated in such a way that there is no future role for us to play there.

Let us think about this for a moment, honourable senators, and let us think about it seriously.

**The Hon. the Speaker:** I am sorry to interrupt, but the honourable senator's time has expired.

Honourable senators, does the honourable senator have unanimous consent to continue?

**Hon. Senators:** Agreed.

**Senator Graham:** Honourable senators, I am urging you to think about this matter very seriously. The United Nations has been required to serve in an area where ceasefires have been irregular and cynically violated, and where no front line really exists. I might add that in our present world, the tendency is to take every piece of nasty business to the world body, the United Nations. As I said earlier, the menu of disaster presented to the United Nations is simply too much under the present circumstances.

Honourable senators, if we consider Bosnia, we see that the UN has really become, as one analyst put it, "an insurance policy against disaster." In other words, the UN did what it could to lessen the implications of a brutal conflict on the citizens of that region. It tried to support damaged economies; it was a conduit for food and equipment, which ensured that women and children were sometimes fed and protected, and that some of the disastrous exchanges on battlefields were sometimes less disastrous. I emphasize the word "sometimes," honourable senators, because sometimes is better than never. Honourable senators, one thing is certain: We have saved lives. We must continue to save lives.

If I might put it this way, the United Nations, despite its shortcomings, is today a mirror of sanity in hell. In another way, we can say that the United Nations provides a glimpse of the possible. Without that mirror of sanity, without that glimpse of the possible, the people of Bosnia will lose all hope. What is even worse, honourable senators, perhaps because, for the time being, we in the West must serve as the agents of reconstruction for the United Nations, is that we could lose all hope.

In other words, a psychological crisis of failure will beset western capitals at a time when we need all our collective energies and strengths to fashion better decision-making institutions for the future at both the regional and international levels.

Martin Woollacott of *The Guardian* put it this way, in what I thought was a brilliant analysis of the situation, in an article that was reprinted in yesterday's *Globe and Mail*. He was reflecting on the possibility of retreat:

> When the men came home, it would be to a wrecked Atlantic alliance, to a discredited UN and to a Europe undermined by its failure to meet the first post-Cold War challenge to the unity and strength to which it aspires. It would be to a world in which the relations between Europe and America, between the West and Russia, and between the West and the Muslim world could never be the same again.

**Senator Lynch-Staunton:** Are you almost finished?

**Senator Graham:** In some ways, the rupture of relations between the countries of a disillusioned West could, in fact, prove to be more ruinous to our future hopes and aspirations than the Bosnian debacle.

In conclusion, honourable senators, I believe that we must reflect very seriously on the symbolism of a retreat from the Bosnian nightmare, because the mirror of sanity is not only essential to the survival of Bosnians, it is essential — perhaps even more important in these times — to the collective determination of western capitals to get on with the future. Once that mirror cracks, we lose a glimpse of the possible. That, to me, would be the real horror of a Dunkirk-style retreat.

## TRANSPORT

### AD HOC PARLIAMENTARY COMMITTEE ON LIGHTSTATIONS— CONSULTATIONS IN BRITISH COLUMBIA

**Hon. Pat Carney:** Honourable senators, on behalf of Senator Mike Forrestall and myself, I want to give a preliminary assessment on the work of the Ad Hoc Parliamentary Committee on Lightstations which met last week with coastal British Columbians to discuss this government's plans to destaff the lights.

Our committee, comprised of two Conservative senators and three B.C. Reform MPs, heard from 65 presenters in four coastal centres: Richmond, Sidney, Campbell River, and because of the interest, Naniamo. Please note that this is nearly double the 35 originally scheduled to appear before the Senate Transport Committee, which voted to cancel the trips two working days before the hearings were to begin.

These 65 presenters did not include the many opponents of destaffing who have written to us, including the Government of British Columbia, the NDP caucus, the Liberal opposition caucus, six cabinet ministers, the Union of B.C. municipalities, and villages, towns, districts and band councils along the coast.

In addition, petitions signed by more than 15,000 concerned British Columbians, expressing opposition to destaffing, were tabled during our hearings and will be filed in this chamber at the appropriate time.

Angry aviators, fishers, marine pilots, boaters, kayakers and residents of coastal communities appeared before the committee to express their hostility to destaffing in the interests of maritime aviation safety. They came off their fishing boats, their tugs, their floatplanes "looking for blood," in the words of one aviator. One young man sang us his brief in the beautiful museum at Campbell River. A community nurse and mayor drove over from the west coast community of Gold River, and all of them echoed the concern of Campbell River pilot Stan Kaardal who told us:

> I use lighthouse weathers every day and I have to have them to do my work safely. We do not use automatic weather reports for flight planning because they are of no use to us.

Later, I will report our commitee's findings to the chamber, but today I want to list some of the groups and organizations which appeared before us during these lengthy and emotional hearings. These included the British Columbia Aviation Council, the Council of Marine Carriers, the Pacific Trollers Association, the Fishing Vessel Owners' Association, the Pacific Gillnetters Association, the B.C. Federation of Labour, the United Fishermen and Allied Workers Union, the Canadian Brotherhood of Railway and Transport Union representing towboat employees, Westwater Research Centre, Marine Life Sanctuary Society, Outdoor Recreational Council representing 200,000 British Columbians, the Sea Kayak Association of B.C., Lightkeepers from Nootka Lightstation, Point Atkinson and Entrance Island, residents of Saturna and Mayne Islands, the MLA of Alberni (representing 13 West Coast MLAs), Marine Parks Forever and the Council of B.C. Yacht Clubs, the Department of Fisheries and Oceans, Institute of Ocean Sciences, the Director of the Tsunami Warning System, Institute of Ocean Sciences, the Geological Survey of Canada, Nootke Charters of Tofino, Lester B. Pearson College, the B.C. Fisheries Survival Coalition, the B.C. Fishermen's Redress Committee, Pacific Trollers Association, Campbell River Chamber of Commerce, Transport Committee, Meteorologist at Flight Dispatch of Canadian Airlines International, Aircraft Operators Association, Strathcone Park Lodge Outdoor Centre, Gulf Trollers Association and representatives of native groups, the Canadian Aircraft Association, Coastal Communities for Staffed Lighthouses, Save Georgia Straight Alliance, and others.

If other provinces, including Quebec, voice this level of concern, the government in Ottawa will listen. British Columbia demands no less.

## HEALTH

### COMMEMORATION OF WORLD AIDS DAY

**Hon. Sharon Carstairs:** Honourable senators, throughout the world today we are commemorating World AIDS Day. I notice that many senators are wearing their red ribbons to commemorate this day.

It is important that we reflect on this dreadful disease which has killed 7,200 Canadian in the last 10 years. A number of others, in fact, are now HIV-positive.

This disease was greatly ignored in the early years because it was considered to be a homosexual disease. However, it is not. Indeed, the largest single group now contracting HIV is heterosexual women.

We must not forget those who have contracted the disease from surgery, through blood transfusions, or those who are haemophiliac and received HIV through blood products; nor must we ignore the intravenous drug users, who certainly live on the darker side of our society.

We must not forget those who are homosexual because, honourable senators, in the testimony that has been given in the hearings of the Special Committee on Euthanasia and Assisted Suicide, the very saddest testimony has been from those who are homosexual and have AIDS, and who feel that they have been deserted, or fear that they will be deserted. They seek assisted suicide or euthanasia because they believe that when the time comes for them to suffer the agonies of this disease, they will not be supported by the health care system, or by families or friends.

No matter what our views are, I do not believe anyone in this country should feel they want assisted suicide or euthanasia because their society or country has deserted them.

Honourable senators, I ask us all to reflect on this agony because it is a societal agony. It is one of which we are all a part.

## ENERGY

HIBERNIA PROJECT—CONTRACT WITH SAINT JOHN SHIPYARD

**Hon. Erminie J. Cohen:** Honourable senators, politics should never stand in the way of signed legal agreements. No, I am not talking about Pearson, although I could be. I am talking about the Hibernia work recently given to the Saint John shipyard in my province of New Brunswick.

The Prime Minister is now saying that this legal agreement should be disregarded, and the work put out to tender. Should the work have been put out to tender in the first place? Yes, and Saint John would have won, because it has a history of finishing projects on time, and because the board that oversees Hibernia wants the work done in an ice-free port.

However, the contract was not put out to tender, honourable senators, and with a signed, legal agreement now in place, the work must be done in Saint John. To do otherwise would only send one message to the business community: This government does not think that contracts are worth the paper they are written on.

# ROUTINE PROCEEDINGS

## SCRUTINY OF REGULATIONS

REPORT OF STANDING JOINT COMMITTEE TABLED

**Hon. P. Derek Lewis:** Honourable senators, I have the honour to table the second report of the Standing Joint Committee on the Scrutiny of Regulations, which deals with illegal dispensations.

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Lewis, and pursuant to rule 97(3), report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## BUSINESS OF THE SENATE

ADJOURNMENT

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday, December 6, 1994 at two o'clock in the afternoon.

Honourable senators, the work program for the next week is as follows: By the middle of next week we will have Bill C-46, to establish the Department of Industry and to amend and repeal certain other acts and Bill C-51, to amend the Canadian Grain Act. Later next week we hope to have Bill C-56, to amend the Canadian Environmental Assessment Act, and Bill C-52, to establish the Department of Public Works and Government Services and to amend and repeal certain acts.

It is not certain that we will have the last two bills. However, we are as certain as we can be in this business that we will have the first two.

The following committees will be sitting next week: Aboriginal Peoples; Banking, Trade and Commerce; Energy, the Environment and Natural Resources; Euthanasia and Assisted Suicide; Foreign Affairs; Internal Economy; Legal and Constitutional Affairs; and Transport and Communications.

We will give Bill C-57 first reading today and we will debate it next week.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-57, to implement the Agreement Establishing the World Trade Organization.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Petten, bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

## TRANSPORT

BRITISH COLUMBIA—AD HOC PARLIAMENATARY COMMITTEE ON LIGHTSTATIONS—NOTICE OF INQUIRY

**Hon. Pat Carney:** Honourable senators, I give notice that on Wednesday, December 14, 1994, I will call the attention of the Senate to the findings of the Ad Hoc Parliamentary Committee on Lightstations, which travelled to British Columbia from November 22 to November 25, 1994, to hear the testimony of witnesses in four centres of British Columbia.

## SPLIT LAKE CREE FIRST NATION FLOODED LAND BILL

REPORT OF COMMITTEE

Leave having been given to revert to Presentation of Reports from Standing or Special Committees:

**Hon. A. Raynell Andreychuk**, Chairperson of the Standing Senate Committee on Aboriginal Peoples, presented the following report:

Thursday, December 1, 1994

The Standing Senate Committee on Aboriginal Peoples has the honour to presents its

FIFTH REPORT

Your Committee, to which was referred Bill C-36, An Act respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land, has examined the said Bill in obedience to its Order of Reference dated November 17, 1994, and now reports the same without amendment.

Respectfully submitted,

A. RAYNELL ANDREYCHUK
*Chairperson*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Petten, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

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# QUESTION PERIOD

## ELECTIONS CANADA

ELECTORAL BOUNDARIES COMMISSIONS—INTRODUCTION OF NEW LEGISLATION—REQUEST FOR PRE-STUDY

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, last Friday, November 25, the House of Commons Standing Committee on Procedure and House Affairs presented its fifty-first report, which contains a number of recommendations supported by draft legislation described as "an act to provide for the establishment of Electoral Boundaries Commissions and the readjustment of electoral boundaries."

We can all recall the debate earlier this year surrounding Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act. Bill C-18 was passed only after this side convinced the government of the validity of a number of amendments, which were agreed to with one modification.

Can the Leader of the Government in the Senate inform us when the government intends to introduce this legislation, or some modification of it, in the House of Commons?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as my friend has indicated, the committee has done its work. The government will undoubtedly bring legislation forward in the new year. I do not anticipate that legislation will be brought forward before the end of this month.

**Senator Lynch-Staunton:** Would the Leader of the Government agree that, because of the particular interest which senators have shown in the important matter of electoral boundaries, perhaps this legislation would be an ideal candidate for pre-study by the Senate?

**Senator Fairbairn:** Honourable senators, indeed that legislation is important. It had somewhat of a rollicking passage through this house. I hope that the legislation will come forward in more than ample time to allow each house of Parliament the fullest possible debate and consideration on the matter.

READJUSTMENT OF ELECTORAL BOUNDARIES BASED ON 1991 CENSUS—GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Whatever the timetable of the government on this legislation, does it endorse the conclusion of the committee as described in its report, which I quote:

> The committee also believes that it is highly important that the readjustment of electoral boundaries on the basis of the 1991 census should be in place for the next federal general election.

Does the government endorse this statement and will it confirm that, whatever its timetable may be on the new legislation regarding electoral boundaries, everything will be in place in time for the next federal election?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, at this point, I cannot foresee the legislation as it will be specifically drafted.

However, as we went through the process of drafting the legislation in the months preceding its return to the House of Commons and the subsequent study by the Commons committee, the intention was clear that the government wishes the electoral boundaries for the next election to reflect my honourable friend's considerations.

## TRANSPORT

DESTAFFING OF LIGHTSTATIONS IN BRITISH COLUMBIA—
ENVIRONMENTAL IMPACT ASSESSMENT—GOVERNMENT POSITION

**Hon. Pat Carney:** Honourable senators, my question is directed to the Leader of the Government in the Senate.

First, I wish to explain that when I rose last week to inquire about an issue in Quebec concerning Canadian pilots flying into Mirabel from Canadian cities and having to go through Canadian customs, the issue was resolved within 48 hours. I am hoping that the following issue will be resolved within the same time frame.

In view of the adamant opposition to destaffing B.C. lightstations because it will put people's lives at risk, can the minister ascertain whether environmental impact assessments were carried out and human safety issues addressed before bureaucrats, in their scorched-earth policy, burned down the houses and buildings at Cape St. James in the Queen Charlotte Islands? If such environmental assessments have been done, as required by law under the EARP guidelines, would the minister make the documentation available?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will take my honourable friend's questions to the minister and attempt to get a response as quickly as possible.

## BOSNIA

CONDITIONS FOR CONTINUATION OF PEACEKEEPING MISSION—
VISIT OF UN SECRETARY-GENERAL—GOVERNMENT POSITION

**Hon. Gerald R. Ottenheimer:** Honourable senators, as the Honourable Leader of the Government in the Senate is no doubt aware, United Nations Secretary-General, Boutros Boutros-Ghali, went to Sarajevo yesterday with the intention of presenting what have been described as rock-bottom conditions for the continuation of the UN mission in Bosnia. My question is this: Does the Government of Canada know whether, in fact, the Secretary-General had an opportunity to present these rock-bottom conditions and, if so, to whom? Does Canada know what the conditions are? Does Canada approve of these conditions?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank the Honourable Senator Ottenheimer for his question. I shall have to obtain full details on the matter to which he has referred. As the honourable senator knows, the visit of Secretary-General Boutros-Ghali did not accomplish what he had hoped for. His visit has been described as perhaps a useful step in the diplomatic process.

The Canadian government's position remains clear, that this dispute or this war be resolved through negotiation. The Prime Minister has been outspoken in his view of the current situation. In the view of the government, the current situation is much more than a disappointment. It is unacceptable that Canada, having played such a strong role in attempting to find a solution to this conflict, should not be part of the contact group as it currently exists.

As my friend will know, the Prime Minister will visit Belgrade at the end of this week. There will be, I am sure, serious and spirited discussion among the countries represented there on the best possible course of action.

Honourable senators, the government remains clear in its view that there should be no lifting of the arms embargo. The Prime Minister will be engaging in talks with representatives of the French government, if he has not already done so during his visit to France, and representatives of the other partner countries on the ground in Bosnia.

**Senator Ottenheimer:** Honourable senators, when the honourable minister has had an opportunity to ascertain whether Canada knows the current conditions and whether Canada specifically approves of them, will she give consideration to informing the Senate specifically of those conditions? No one would wish the honourable minister to reveal anything that would endanger the security of our troops or anyone else. That is a consideration, but to what extent it is a factor, I do not know. The government is in a much better position to know.

Honourable senators, there is also the consideration of greater transparency in matters of defence policy. These are things that obviously the honourable leader would have to weigh in making a decision to inform the Senate of the conditions.

**Senator Fairbairn:** Senator Ottenheimer, I will talk to my colleagues, particularly the Minister of National Defence. I will speak as well to the Minister of Foreign Affairs, who will be back in Canada next week, I believe. As you know, he has been in Russia discussing this issue with the foreign minister there. I shall attempt to get the fullest possible information under the constraints of the consideration my honourable friend has outlined.

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—
CANCELLATION OF LEASE AGREEMENT

**Hon. Finlay MacDonald:** Honourable senators, my question is for the Leader of the Government in the Senate. Yesterday, I received a response to the questions I put to the honourable leader on November 15 and November 24. She will recall that the Minister of Transport said that before handing over Pearson International Airport to the new Canadian Airport Authority, Ottawa must wait until Parliament had passed Bill C-22. I asked for the reasons why.

This is the reply as printed on page 1012 of the *Debates of the Senate* of yesterday.

> At this time, there exists a lease agreement between the federal government and T1T2 Development Corporation. Succinctly, there cannot be a second lease concluded for the same property to two different entities.

On November 24, I quoted a letter dated September 20 from the chairman of the Pearson Development Corporation, a letter he wrote to every member of Parliament in which he said:

> Pearson Development has already made it clear that it will not take any action to block the redevelopment of Pearson International Airport.

Honourable senators, if that was not enough, in the Ontario court case *T1T2 v. Her Majesty,* the Canadian government's statement of defence and counterclaim, which includes the affidavit of John Desmarais, says in Article 172:

> ...the Plaintiff's claim, and the Defendant...

— the government —

> ...admits that the airport contracts were repudiated on or before December 15th, 1993.

Then again in Article 173, the government states:

> ...the Plaintiffs...

— the Pearson consortium —

> ...have conducted themselves consistent with acceptance of the repudiation, and on the basis that the airport contracts are at an end for all purposes other than the claim for damages.

My question is this: Is there not a contradiction here? The government lawyers say there is no impediment. Yesterday, Transport Canada said that there is a contradiction. The Pearson developers have said they will not take any action to block redevelopment of the airport. Time is passing. That being the case, has the minister or any of his officials approached the Pearson consortium regarding the cancellation of the lease agreement between the federal government and T1T2 and, if so, have these negotiations been ongoing?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I shall take the honourable senator's question to my colleague to get an expansion on the answer the senator has already received.

## TREASURY BOARD

### POSSIBLE AMENDMENTS TO MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT—GOVERNMENT POSITION

**Hon. Eymard G. Corbin:** Honourable senators, my question is directed to the Leader of the Government in the Senate. The story is making the rounds these days that, sometime in the New Year, Treasury Board President Art Eggleton will place a bill before the House of Commons giving MPs — and I repeat, MPs — the right to opt out of the parliamentarians' so-called generous pension plan.

Does "member of Parliament" in this instance include senators, as I think it should, or is that proposal designed and tailored specifically for members of the House of Commons?

**Hon. Joyce Fairbairn (Leader of the Government):** I thank my honourable friend for his question.

As the honourable senator knows, there has not yet been a response on the question of pensions by the government or by the President of the Treasury Board. I will certainly draw my honourable friend's question, and his supporting remarks, to the attention of Mr. Eggleton.

## AGRICULTURE

### WESTERN GRAIN TRANSPORTATION— BACKHAUL TO THUNDER BAY—GOVERNMENT POSITION

**Hon. Leonard J. Gustafson:** Honourable senators, my question is directed to the Leader of the Government in the Senate. The backhaul of grain to Thunder Bay from Winnipeg was mentioned some time ago, and the government indicated, through its minister, that that situation would be solved. However, according to the news the other night, it still has not been solved.

This process is not only an embarrassment to all of the grain-handling workers but also to the Wheat Board and to the farmers. People in general on the prairies are concerned that this process is continuing at tremendous expense. What does the government intend to do about this situation?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank my friend for his question. Senator Gustafson knows that the Minister of Agriculture also has expressed very strong concerns about this process.

**Senator Berntson:** He said it would be fixed.

**Senator Fairbairn:** It is his intention to end that process. As far as timing is concerned, I will seek further information and get back to my honourable friend.

**Senator Gustafson:** Honourable senators, it seems to me that it would be better even to pay the railroads, and not move the cars back and forth, congesting the system. They must be wearing out the cars, going through the manoeuvre of transporting grain from Winnipeg to Thunder Bay, and then moving it back to Winnipeg. It is quite an operation, let me put it that way. Certainly, a solution must be found; the situation is almost a joke.

**Senator Berntson:** It is a joke.

**Senator Fairbairn:** Honourable senators, I agree with my friend that this is a situation which must end. It does not make sense. The Minister of Agriculture, I can assure you, is very actively cognizant of the situation, and is moving to a solution as quickly as he can.

## DELAYED ANSWER TO ORAL QUESTION

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, I have a response to questions raised by the Honourable Senator Prud'homme on October 25, 26 and 27, 1994.

## NATIONAL SECURITY

PROPOSAL TO STRIKE A SPECIAL COMMITTEE—
GOVERNMENT POSITION

*(Response to questions raised by Hon. Marcel Prud'homme on October 25, 26, and 27, 1994)*

The Honourable David Collenette, Minister of National Defence and Minister of Veterans Affairs, responsible for the CSE, has stated that he would be pleased to appear as a witness before the appropriate Senate Committee to answer questions concerning the accountability and mandate of the CSE. As for the structure of the Senate committee system, that matter is under active consideration by the Senate's Standing Committee on Privileges, Standing Rules and Orders.

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# ORDERS OF THE DAY

## YUKON SURFACE RIGHTS BOARD BILL

SECOND READING

**Hon. Paul Lucier** moved the second reading of Bill C-55, to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory and to amend other Acts in relation thereto.

He said: Honourable senators, I rise to address Bill C-55, the Yukon Surface Rights Board Bill.

However, before I do so, honourable senators, I would take this opportunity to congratulate Senator LeBlanc, who was appointed our new Governor General, and Senator Molgat, our new Speaker. I would also welcome Senators Bryden and Gauthier to the Senate. They will be fine additions.

I wanted to point out, too, that Senator Molgat has been a great friend of the Yukon in the years I have been here. We appreciated his input into the affairs of the Yukon. He was always very willing to come to the Yukon and to make sure that people from the Yukon were heard on issues of importance to them. We appreciated that.

I am pleased to speak in support of this legislation which will have extremely positive and lasting implications for the Yukon that go far beyond the scope of the bill itself. The purpose of Bill C-55 is to establish a new surface rights regime in the Yukon Territory. This regime will set out clear rules for acquiring access to, and using, land in the territory so that all parties will be aware of their rights and obligations. A key element of the new regime will be a surface rights board which will resolve disputes related to access and compensation.

Honourable senators, the creation of this new regime and board is a condition of the Council for Yukon Indians' umbrella final agreement. Having endorsed the umbrella final agreement and passed enabling legislation, the Government of Canada has both a moral and a legal obligation to establish this new regime. Now we are being called upon to fulfil this obligation by giving approval to Bill C-55.

My honourable colleagues should be aware that Bill C-55 will accomplish much more than simply establishing a new institution of public government in the Yukon. This is a final legislative building block that will allow implementation of the umbrella final agreement itself. Without Bill C-55, the Yukon First Nations Land Claim Settlement Act will not be proclaimed, and the Yukon Indians will not receive the land, financial compensation, and other benefits they so richly deserve.

Without Bill C-55, non-aboriginal Yukoners, the territorial government and Canadian industry will not have the certainty which the settlement agreement brings. This certainty is vital in order for resource development projects to go forward; projects which will create jobs and income for Yukoners and other Canadians.

Without Bill C-55, the Yukon First Nations self-government act will not be proclaimed. This act has also been endorsed by this chamber and will give effect to self-government agreements negotiated with individual Yukon First Nations.

Honourable senators can appreciate that much more is at stake with Bill C-55 than issues of land access. At stake is more than two decades of work by both governments and Yukon First Nations. At stake is the honour of the Crown to implement the umbrella final agreement signed on May 29, 1993, and possibly the very economic future of the Yukon Territory.

The need for a new surface rights regime arises from the changing face of land ownership in the Yukon. As final agreements of each of the 14 Yukon First Nations are implemented, large areas of Crown land will become privately owned by these First Nations. This is a significant change for the territory, and it calls for a new approach to administering surface rights. The political evolution of the territory strongly suggests that this approach should be implemented in the Yukon by Yukoners. This is achieved through Bill C-55, which establishes the Yukon Surface Rights Board as a new institution of public government that will ensure that all sectors of Yukon society will have a respected voice and direct participation in decision making.

As mentioned a moment ago, honourable senators, land claims final agreements will bring certainty of land and resource ownership to the Yukon. This, in turn, will clarify the legal basis for mining companies to begin exercising their exploration development rights. Bill C-55 ensures that these companies, as well as others who need to use the land, will be able to do so based on terms and conditions which are both reasonable and responsible.

The government is confident that, in most cases, developers will be able to reach mutually beneficial access agreements with First Nations and other land owners in the Yukon. In fact, Bill C-55 requires the two parties to attempt to negotiate access arrangements before they can approach the board.

Nevertheless, the government also acknowledges that disputes will arise between the surface owners of the land and the owners of subsurface resource rights. Experience in other jurisdictions would indicate that these disputes generally involve compensation. The Yukon Surface Rights Board will deal efficiently with these disputes. The proposed board is modelled on similar, appointed institutions of government that have been used to resolve such access disputes in the western provinces for several years.

The Yukon board will have the power to resolve disputes related to both settlement and non-settlement lands throughout the territory. These disputes could be related to access or use of land, as well as compensation for such access and use. The board will also have authority to determine compensation if settlement lands are ever expropriated. Its orders will be enforceable through the Supreme Court of the Yukon Territory.

I want to assure honourable colleagues that Bill C-55 has been drafted with fairness in mind. It respects the interests of both the land owners in the Yukon and those who need to use the land. This balancing of interests was achieved, in part, through an extensive consultation process that took place over the past year. First Nations, the territorial government, the mining industry, the public and other third party interests have all provided input into Bill C-55. Many of these parties have been directly involved in drafting this legislation. This broad consultation has resulted in agreement on the principles of this bill.

Another way interests have been balanced is through the makeup of the Surface Rights Board. Under Bill C-55, the Council for Yukon Indians will have the right to nominate half the members of the Surface Rights Board, excluding the chairperson. As well, at least one member nominated by Yukon Indians will sit on any panel created by the board to deal with matters concerning settlement lands. The remainder of the board's members will be nominated by government, which will endeavour to ensure that a broad range of Yukon people have input into the important decisions that need to be made.

Honourable senators, this approach to resolving disputes was adopted with cost efficiency and effectiveness in mind. By keeping surface rights issues out of the courts as much as possible, the new board will minimize delays in development projects and avoid costly litigation. It will also encourage negotiation rather than confrontation. I also want to stress that Bill C-55 is fully consistent with the Land Claims Settlement Agreement which has been embraced by virtually all concerned parties in the Yukon.

Honourable senators, Yukoners have heard enough talk and debate about land claims and self-government. Now they want concrete action. They want economic development, a say in decision making, and reconciliation between aboriginal and non-aboriginal people. Bill C-55 will give them that and more. Our colleagues in the other chamber have given their support to this legislation. It is time for us to do our part to live up to the Crown's commitment, not only to the Yukon First Nations but to all Yukoners and all Canadians. We can and must do this by supporting Bill C-55 at second reading.

**Hon. Arthur Eric Berntson (Deputy Leader of the Opposition):** Honourable senators, while I agree, for the most part, with my colleague on the other side, I do have a couple of concerns relative to Bill C-55.

The quest of native peoples for viable self-governing communities within Canada requires result-oriented government. The recognition of an inherent right to self-government would not, by itself, meet the aspirations of native peoples. It would not by itself break the dependency on welfare. It would not, by itself, end the economic crisis within the reserves. In short, it would not, by itself, solve the challenges that confront natives, nor redress historic injustices. Canadian achievements in the area of native rights have been often remarkable. With the helpful vigilance of native peoples themselves, solutions to complex questions will yield tangible results.

Bill C-55 was introduced after two other pieces of legislation, namely, the Land Claims Settlement Act and the Yukon First Nations Self-Government Act, Bills C-33 and C-34 respectively, were passed last June. Perhaps some senators will recall that when the representatives arrived here, there was some confusion related to the bills themselves and to the implicit requests to expedite the legislative process in their favour.

In any case, in early October we received a letter from the Council of Yukon Indians stating that they were very anxious to see the Yukon surface rights bill expedited through the House of Commons and the Senate process. The CYI urged Senate members to assist the process by undertaking a pre-study of the surface rights bill, thus easing its passage. They have not contacted our side since then.

Yesterday, pursuant to Standing Order No. 108(2), the House of Commons Standing Committee on Aboriginal Affairs and Northern Development, carrying out a study on the Kaska Nation land claim, received witnesses from the Kaska Tribal Council, the Ross River Dena Council and, I believe, the Liard First Nation. The members of that committee appeared perplexed by the Kaska's assertion that their land claim would be subject to prejudicial circumstances if Bill C-55 were given Royal Assent. They believed that their land claim negotiations would be put on hold if Bill C-55 were to be passed forthwith.

To illustrate the confusing circumstances before us, allow me to quote from a speech on the subject by Mr. Lyle Vanclief during third reading debate on the bill in the other place. He said:

> Yukoners are virtually unanimous in wanting this bill to pass quickly.

He also said:

> Yukoners want and need the certainty of the economic development opportunities that this bill and the land claims process will bring.

It became apparent yesterday to members of the House committee that the Kaska Dena did not ratify the agreement the Council of Yukon Indians had made with the Government of Canada, but were expected to be subject to the provisions within Bill C-33, Bill C-34 and Bill C-55 vis-à-vis their land claim negotiations, currently stalled because there is not agreement on a mandate for negotiations from the minister's office.

It also became known that only four of the 14 Yukon First Nations ratified the agreement. Most would agree that one of the major selling points for supporting the triumvirate of legislation was the premise that this would create certainty that would allow development of a positive environment for economic development and community development.

The Kaska are saying that their position is at peril unfairly and that it needs to be given immediate consideration. At this point, I cannot pass judgment. I do not know whether I agree or disagree with them.

My hope is that when this bill is considered in the Standing Senate Committee on Aboriginal Peoples, these questions can be answered. Some say that aboriginal people have been studied to death. Maybe the Senate committee will help study them back to life, or at least offer honourable senators a comprehensive view of what, for all intents and purposes, has been a complex and confusing development.

Canadians and Yukoners are interested in more jobs and less debt. I imagine that improved access to land, water, resources, education and training will take care of the "more jobs" part. In doing so, perhaps Canada will be addressing, in part, our indebtedness to the native peoples for having welcomed and assisted us in building present day Canada.

Native peoples in the Yukon are asking the government what devolution of jurisdiction to the territory will mean to their future land claims and their shot at survival and prosperity. I believe that these are legitimate questions. I believe that, in the circumstances, the proper forum in which to have them answered is the committee and, therefore, we will not object to Bill C-55.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Lucier, bill referred to the Standing Senate Committee on Aboriginal Peoples.

[*Translation*]

## CRIMINAL CODE

BILL TO AMEND—SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Hébert, for the second reading of Bill S-6, An Act to amend the Criminal Code (dangerous intoxication).—(*Honourable Senator Lavoie-Roux*).

**Hon. Thérèse Lavoie-Roux:** Honourable senators, first of all, I would like to take this opportunity to tell His Honour the Speaker of the Senate how delighted I was at his appointment and to offer him my congratulations. I have worked with him on several occasions, particularly on the Standing Committee on Internal Economy, Budgets and Administration. He was always a team player and demonstrated very good judgment. I am certain that he will share these same qualities with us in the Senate, and I congratulate him on his appointment.

Honourable senators, the purpose of Bill S-6, introduced by Senator Gigantès, is to put a stop to the defence used before the courts by Henri Daviault, who was too drunk to be held responsible for dragging a 65-year-old woman out of her wheelchair and raping her. The bill proposes the creation of the offence of "dangerous intoxication," which would be punishable by imprisonment for up to fourteen years. In order to be found guilty of this offence, the accused would have to have committed a violent act as defined in the bill while in a state of self-induced intoxication caused by alcohol or drugs.

The Minister of Justice, Allan Rock, has promised to amend the Criminal Code to limit this defence, but only after public study of a working paper on the subject. The discussion paper on reforming Part I of the Criminal Code deals with the question of intoxication as a ground for defence. At the present time, Part I does not provide for a defence of self-induced intoxication. Rather, this defence has arisen under case law and is usually resorted to for offences of "specific intent," but not for offences of "general intent." Intent is a fundamental concept in our criminal system. The confusion around the issue of intoxication as a defence comes from the distinction between specific intent offences and general intent offences.

I am told that the Supreme Court of Canada itself would have contributed to this confusion in 1960 when it stated that intoxication could be pleaded in defence in the case of specific intent offences, but not in that of general intent offences. Under Canadian law, the Crown must establish both elements of the offence: the material element, or *actus reus*, and the mental element, or *mens rea*. If an individual's mind is so clouded by alcohol or drugs that he or she is incapable of forming the specific intent to commit a given offence, then this individual shall not be considered as presenting the mental element required and, therefore, shall not be found guilty of the offence. In many cases, even if the specific intent cannot be established, the accused may nevertheless be found guilty of a general intent offence.

In the *Daviault* case, the Supreme Court tried to abolish this artificial distinction between specific intent offences and general intent offences. If drunkenness can negate mental intent for a charge of murder, why could it not be pleaded in defence for charges of assault or sexual assault? In a majority, four to three decision, the Supreme Court judges found that extreme intoxication could be pleaded in defence of any offence. In their opinion:

> The mental aspect of an offence has long been recognized as an integral part of a crime, and to eliminate it would be to deprive an accused of fundamental justice. The mental element in general intent offences may be minimal; in this case it is simply an intention to commit the sexual assault or recklessness as to whether the actions will constitute an assault. The necessary mental element can ordinarily be inferred from the proof that the assault was committed by the accused, but the substituted *mens rea* of an intention to become drunk cannot establish the *mens rea* to commit the assault.

Dissenting judges, however, expressed the following opinion:

> Evidence of intoxication can only provide a defence for offences of specific intent but not for offences of general intent. Since sexual assault is a crime of general intent, intoxication is no defence to a charge of sexual assault. This rule is supported by sound policy considerations. One of the main purposes of the criminal law is to protect the public. Society is entitled to punish those who of their own free will render themselves so intoxicated as to pose a threat to other members of the community.

The court added that the person must be so intoxicated as to be incapable of forming the minimal intent to commit the act. The judges described this defence as self-induced intoxication akin to a state of insanity or automatism.

It is not surprising that this decision by the Supreme Court shocked the general public. People want assurances that those who commit offences while intoxicated are held accountable for their actions. Women's groups and advocates of shelters for victims of violence are convinced that women have the most to lose as a result of this decision, since most victims of violence are women and children. According to some, this ruling is a setback for women because it condones offences committed against them.

While women are not challenging the decision rendered by the Supreme Court in the *Daviault* case, they do worry about its repercussions. They feel that the ruling was distorted by the media, and that it is a result of sloppy work by lower-court judges who misinterpreted precedents. It must be said in this regard that defence lawyers manipulate the system to get their clients off the hook. This is part of the game, I suppose. Obviously, if the *Daviault* case is interpreted properly, this defence would be used only in cases of extreme intoxication akin to a state of insanity or automatism.

Following the *Daviault* ruling, Criminal Lawyers Association president Bruce Durno explained to journalists that this case would not lead to many acquittals. Yet, two weeks later, an Alberta man was acquitted of brutally assaulting his wife after consuming large quantities of drugs and alcohol. The judge in this case said that he had to take the precedent set by the Supreme Court into consideration. Since then, and it is not so long ago, intoxication has successfully been invoked as a defence in two other cases. That is why the public is indignant.

The problem raised by the Supreme Court's decision is complex. There is more than one possible solution and it is therefore necessary to examine each of them carefully in order to choose the best one. Other solutions were considered besides the one proposed. The kind of offence for which the accused could invoke the defence of extreme intoxication could be restricted. For example, it could be limited to offences involving negligence or carelessness such as manslaughter or even sexual assault. Its application could be further limited if sexual assault cases were excluded.

The bill could have taken various forms. Under Bill S-6, if someone is found not guilty of an offence by virtue of being intoxicated, he could be found guilty of the offence of dangerous intoxication. Another way to look at this would be to create a new offence of reckless conduct causing harm. Someone who willingly becomes intoxicated should be held responsible for his acts.

Nonetheless, the approach taken in Bill S-6 raises a number of concerns. For instance, if the prosecution is unable to prove the level of intoxication of the accused beyond a reasonable doubt, there is some concern that individuals may, in the end, be acquitted of both the principal offence and the new offence of dangerous intoxication. Furthermore, the Crown would have to cite dangerous intoxication as a serious offence in all cases where alcohol or drugs are involved, to cover all eventualities with respect to sentencing.

Women's groups like the Canadian Action Committee on the Status of Woman, which also represents other groups under the umbrella of this committee, do not believe this bill is the answer. They are afraid that sexual assault will be dropped as an offence when alcohol is involved, which would have the effect of diluting the gravity of offences of a sexual nature. According to them, the government has no systematic approach to dealing with violence against women. I think we must realize that the search is continuing for a solution to this problem which is so widespread in our society, and it is impossible to make the requisite changes in the present system. They feel that the government will first have to review the provisions on rape and assault and consider the changes that must be made in this respect. That, in their view, should be the starting point.

Considering the foregoing, I think Senator Gigantès has done useful work in bringing this debate before a public forum, because although the Minister of Justice has said he intends to amend the Criminal Code to deal with these problems, it always takes time for good intentions to materialize, and sometimes it takes far too long since, as we saw recently, the Supreme Court's judgment has already been used in two cases in Alberta. From that perspective, I think Senator Gigantès' initiative is an excellent one. However, the bill as such poses a number of problems, as I have tried to explain. This is an extremely delicate and complex issue, and it is clear that the bill will have to be examined very closely.

[*English*]

• (1510)

It is evident that this bill should undergo close scrutiny. I therefore recommend that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

**The Hon. the Speaker:** It was moved by the Honourable Senator Gigantès, seconded by the Honourable Senator Hébert, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Bosa, for Senator Gigantès, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## STATE OF CANADIAN FINANIAL SYSTEM

CONSIDERATION OF REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE ON STUDY—DEBATE CONTINUED

On the Order:

> Resuming the debate on the consideration of the thirteenth report of the Standing Senate Committee on Banking, Trade and Commerce, entitled "Regulation and Consumer Protection in the Federally-Regulated Financial Services Industry: Striking A Balance," tabled in the Senate on November 22, 1994.—*(Honourable Senator Di Nino)*

**Hon. Consiglio Di Nino:** Honourable senators, I rise to participate in the debate on the report of the Standing Senate Committee on Banking, Trade and Commerce. I will not repeat the title; it is too long.

Although I am prepared to support many of the recommendations contained in the report, there are some to which I take exception: those that will discriminate against small business, particularly the recommendations dealing with co-insurance, which is the area I will be speaking on today.

Honourable senators, before dealing with the recommended changes to deposit insurance, I wish to briefly discuss the recommendations dealing with stacking. First, the definition of stacking needs to be clearly stated. The report does not do this. I urge the Standing Senate Committee on Banking, Trade and Commerce to do so.

I suspect some abuses in stacking of accounts is taking place. I also suspect that the instances of abuse are insignificant. What concerns me is that, in attempting to fix a small leak, the committee's recommendations may be preventing spouses, children, family members, or sheltered accounts of such family members such as RRSPs and RRIFs from being held at the same institutions.

Honourable senators, surely this report cannot be saying that a person and his or her spouse, having separate accounts in the same institution, would only be covered fully up to $30,000? When I asked Senator Kirby that question last Tuesday, his response was, and I quote:

We did not deal with the related-persons problem.

That, honourable senators, is mainly how stacking takes place. Most of it is quite innocent, regular, and without abuse.

Rather than take the time at this stage, if a colleague has a question on the issue of stacking, I will be pleased to attempt to answer it when I finish my remarks.

Honourable senators, I will now argue against the report's suggested introduction of co-insurance. My arguments are based on the following six considerations: One, it will force smaller financial institutions out of business; two, it will create barriers to entry for new financial institutions, specifically smaller institutions wishing to enter Canada's financial sector to fill a specific market need; three, it will not lead to greater market discipline, as some suggest; four, self-interest motivates some to advocate these kinds of schemes; five, any changes in insuring deposits of federally chartered institutions without corresponding changes to provincially chartered ones will create an uneven playing field; and six, it will create two classes of institutions. It is this consideration of creating two classes of institutions that I find most alarming.

Senators may be aware that two reports were recently tabled in the other place, one entitled "Taking Care of Small Business" from the Standing House Committee on Industry, and a report to ministers from the Small Business Working Committee entitled "Breaking Through Barriers: Forging our Future." Both committees alluded to the idea that the financial system is not responding to the needs of small business, and that we need more competition in the industry. As a result, the report to ministers recommended that the federal government use its leverage to increase competition among these financial institutions. The Industry Committee report went one step further by recommending that the government consider creating a new category of banks with a primary focus on financing small business.

The reason I mention these two reports is to point out that, with the recommendations contained in the Senate Banking Committee's report on the CDIC, new institutions will find it extremely difficult to compete, resulting in less competition, not more. Additional and stronger competition is required to meet the needs of business, especially small business.The recommendations contained in the Senate Banking Committee report violates this principle by, in effect, decreasing competition among financial institutions.

• (1520)

Honourable senators, my argument against co-insurance, risk premiums or other similar schemes should not be construed as an argument against the need to strengthen consumer protection in Canada. On the contrary, I support the ongoing work of the Banking Committee in the area of consumer protection for the simple reason that the willingness of savers to place funds with deposit-taking institutions depends greatly on their confidence in the system and the industry.

Deposit insurance is one of the measurements of the relative strength of financial intermediation in Canada. On that point, at the conclusion of my presentation, I will propose a number of suggestions to strengthen consumer protection in Canada while taking into consideration the need to address problems which have developed in our financial system.

The report deals quite clearly and extensively with the themes and variations of co-insurance. It is unnecessary for me to add to them except where I believe it is flawed.

Honourable senators, co-insurance and other similar schemes put the onus on the consumer to take some of the risk for their decision to deal with one particular institution over another. Attempts to justify these schemes are made on the basis that there is a clear need to encourage market discipline in the system or, in other words, to have savers assess the risk associated with the expected return.

Some have stated that most, if not all, unsophisticated investors deposit their savings in the institution that offers the best rate. Having spent the better part of my life in the financial services industry, I do not agree. In my opinion, most still deal with the institution which is most convenient and/or is best able to effectively market itself.

I ask the question: Is the justification on market discipline correct? The inherent problem with the notion of justifying co-insurance or other similar schemes on the basis of greater market discipline is the assumption that the unsophisticated saver will be able to assess the risk of the institution. In view of the many recent examples of the inability of the marketplace to correctly assess the riskiness of certain institutions and the relative speed with which changes in the value of institutional portfolios occur, I cannot believe that the unsophisticated saver, not to mention the sophisticated investor, will be able to adequately assess the viability of any particular institution. This is simply not realistic, and as such it would not be greater market discipline.

Those of you who will be following this matter will notice that large numbers of senior citizens of this country have agreed with my position.

What will be the likely outcome if risk-based schemes are introduced? The introduction of the schemes would result in the perception of two classes of financial institutions: the smaller, less stable ones and the large too-big-to-fail ones. Those that may be perceived as smaller and less stable will have to offer higher rates to attract deposits. To compensate for these, institutions will be forced to seek higher returns, which would mean taking higher risks, thus increasing their chances of failure. Even if the regulators were inclined to allow institutions to assume a more risky stance, capital adequacy rules would require an increase in capital, reducing the institution's potential profitability. The potential effect of the co-insurance scheme would impact negatively both on large and small financial institutions; however, the greatest negative impact would clearly be on the smaller institutions.

In order to maintain profitability, these institutions will either have to become much more cost efficient, which smaller institutions usually already are, or earn a higher return on their assets, or both. Obviously, to earn a higher return, the institution must take higher risks which, in turn, mean increasing the chances of failure. In short, the likely result of increasing interest rates to encourage deposits in a co-insurance environment will be a reduction in the institution's potential profitability and, as such, the risk of failure will be increased, leading to greater instability in the financial system.

Instability in the financial system is in itself reason enough to argue against the introduction of risk-based schemes. Further instability may result from two limits of financial institutions. First is the inability of financial institutions, specifically but not exclusively smaller institutions, to compete with other institutions such as insurance companies, credit unions, caisses populaires, provincial savings banks, et cetera, which do not operate under such an environment. Second is the inability of federally regulated financial institutions under a new federally regulated risk-based scheme to maintain a balance with provincially chartered institutions.

To summarize, senators should be clear that co-insurance, risk-based or other similar schemes, will create instability, not stability, in the financial system, unless of course the industry is to be restricted to only a small number of mammoth institutions. Even then, we will not be insured against failures, as you will hear in a moment.

If risk-based schemes will indeed cause instability in the financial system and will not lead to greater market discipline, why are some advocating the introduction of these schemes? Clearly, many of those advocates stand to profit from such schemes, such as the large financial institutions. The large banks, for instance, do not need deposit insurance to compete in the markets since they are seen to be too big to be allowed to fail. In effect, depositors in these institutions have 100 per cent deposit insurance. Clearly, the banks stand to gain in market share if the smaller financial institutions were to be put out of business.

Although smaller financial institutions represent a small fraction of total market share of deposits, the dollar amount is by no means insignificant. As outlined in a background document prepared by the Department of Finance, and I quote:

> ...concerns have been raised that the rationalization and deposit-taking sector may lead to undesirable levels of concentration and therefore negatively impact competition given the bulk of the trust company assets that have been acquired have moved to the banking sector. There has been a considerable increase in the overall level of concentration in the deposit-taking sector in the past two years.

Taking into consideration the previous discussions, in my opinion the argument put forward by the banks in support of risk-based schemes, co-insurance, et cetera, tend to be self-serving and do not lend themselves to good public policy.

What does it mean to be too big to fail? This notion of too big to fail refers to Canada's large financial institutions not being at risk because of their size and importance to the financial system in Canada and the world. Rightly or wrongly, history has shown

that Canadian governments will not allow Canada's large institutions to fail. This is accomplished by injecting funds from the deep pockets of the Consolidated Revenue Fund or by using the tax system, thereby avoiding a loss of confidence in Canada's financial system, particularly by international investors.

Historically, governments have taken a number of actions to bail out Canada's financial system when it was at risk. In other words, the government has insured through its actions that Canada's financial system remains stable, and I have no quarrel with this at all.

Let me give some examples in this regard, honourable senators. First would be the handling of the problems of the banks, especially the big banks, with loans to Third World countries in the early 1980s. Our government, through the Department of Finance, relaxed the write-off rules to effectively permit banks to write off loan losses to these less developed countries over a longer period of time than was normal. Why? Because if the banks were required to write off these loans at market value immediately, as is required by both OSFI and CDIC, the effects on the banks' capital requirements would have indeed placed some of them in a very precarious position. As well, let us not forget, the taxpayer, because of the nature of the write-off, picked up a large part of these losses which resulted from the banks' poor judgment.

I have a second example. In the early 1980s a major chartered bank found itself in serious financial difficulties because of non-performing loans to Dome Petroleum, Turbo Resources, Massey Ferguson and others, which severely restricted their capital adequacy. As the record shows, the government helped that bank survive at the taxpayers' expense.

A third example is the bail-out of the East Coast fishery for political reasons and, I propose, because of the potential serious exposure of one of the major banks. All this shows that the so-called "playing field" is not level. The large financial institutions, and particularly the six banks, have continually been treated differently than the smaller financial institutions.

Would the government have taken such actions if the financial institutions were small ones? The record shows that they would not. The governments are more interested in rewarding brawn rather than brains or the entrepreneurial spirit. What does this mean? It means there is no risk that CDIC will need to insure deposits from the failure of a large financial institution in Canada because governments will not allow the institution to fail.

If the taxpayers are subsidizing large institutions in the name of consumer protection and the stability of the system — again, I have no problem with that — then they should allow for potential subsidies to smaller financial institutions as well. Then there would be a level playing field in the federally regulated deposit-taking industry.

I wish to propose the following suggestions intended to strengthen consumer protection in the financial sector. First, I disagree with Chairman Kirby over the suggestion that the regulators did not have the powers needed to act. They did have the powers; however, they did not have the courage to use them or were forbidden to use them by governments of the day. It is appropriate for their powers to be expanded.

**Hon. John B. Stewart:** Would the honourable senator permit a question at this point?

**Senator Di Nino:** I will be finished in a couple of minutes, and then gladly answer any question the honourable senator may have.

The following proposals, some of which have been considered by the committee, will strengthen the financial industry: first, ensure that the regulators have sufficient powers to regulate the industry; second, insist that the regulators, where necessary, use such powers or suffer the consequences; third, strengthen the responsibility of the external auditors and make them responsible for their negligent behaviour; four, enhance the role of governance by assigning to directors, legislatively or through regulation, the principal role of looking after the interest of the depositors, not the shareholders, nor management. As well, make them responsible for negligence on their part; five, clarify and strengthen the criteria for entry into the financial services industry.

Honourable senators, it is not enough that the powers of the regulators be strengthened and clarified as I previously proposed. OSFI must have the courage to use such powers. Therefore, we must insist that the regulators use all the powers afforded to them, after proper consultation with the appropriate minister.

In closing, I wish to reiterate that the willingness of savers to place funds with deposit-taking institutions depends mostly on confidence in the institution and the industry. The existence of adequate deposit insurance is an important factor which strengthens financial intermediation in Canada.

Co-insurance, risk premiums or other similar schemes will lead to the potential loss of mainly smaller financial institutions, the erection of barriers to entry into the industry, and will not lead to greater market discipline. In short, I am opposed to any recommendation that discourages small enterprise in any industry, and because of this, the recommendations dealing with the co-insurance industry should not be supported by this chamber. Small business is the backbone of free enterprise and entrepreneurs are mostly small business persons. I will not align myself with those who would penalize small business or, because of legislation or regulation, restrict entry into an industry.

I urge my colleagues on both sides of this chamber, when a vote is called on this report, to stand with me and be counted at the side of millions of small businessmen and women and reject the co-insurance recommendation in this report.

**Senator Stewart:** Honourable senators, Senator Di Nino has stated that the superintendent already had adequate powers, but that in certain instances he failed to use the powers. The senator's plea for support from senators would be stronger if he would cite three or four instances where the superintendent failed to use the powers provided.

**Senator Di Nino:** Honourable senators, when I spoke of the superintendent, I was referring to all the regulators across the country. In some instances, it involves not only the federal regulator but also the provincial regulator.

I am sure my friend reads all these reports. If he does, he will notice that in every one there is some comment or some admission, as was the case with Confederation Life, that plans for the dissolution or for solving the problems in that company were already being considered by the regulators of that particular institution some two years or so before it became public.

Honourable senators, I do not want to mention other companies, although I am sure that parliamentary privilege would offer me protection from being sued. In every failure that has occurred in this country, regulators have admitted fault of one form or another. We wrote an institution a letter two years ago telling them to cease and desist, otherwise their licence would be taken away. In the two years since that letter was written, huge losses have increased to mammoth losses.

The regulators had the power to save taxpayers' dollars in every case. If the honourable senator would like me to check my research and cite examples, I will find the specific instances.

I am sure the honourable senator will agree with me that in the cases involving reviews of failures that have happened in this country, the major ones in particular, there was knowledge within the regulating body that the institutions were in trouble. The regulators have a huge hammer and they can hold it over the head of the institution and tell it to either change or we will close you down.

I agree that maybe there should be some measure in the middle somewhere but, in the meantime, I can tell the honourable senator that, having been a vice-chairman of the Trust Company's Association for some 10 years, I was well aware of what was occurring. In some cases, we were contacted by the regulators asking for information to support some questions that they had. It was always in confidence, obviously. I had some knowledge of what was occurring.

**Senator Stewart:** Honourable senators, I do not doubt that the honourable senator has great knowledge. However, he is asking the Senate for support. His plea would be more persuasive if he gave more specifics. He has mentioned only one case.

With respect to Confederation Life, his argument is that the regulator had the knowledge and the power to effect a remedy, but lacked intestinal fortitude to use the power. Is that the case?

**Senator Di Nino:** Honourable senators, it was either that or political intervention, I do not know which.

**Senator Stewart:** Then it is one or the other?

**Senator Di Nino:** Yes. I am not sure which.

**Senator Stewart:** The situation developed before the election, so I do not know about political intervention. Let us set that aside. Thus, it was the lack of intestinal fortitude.

The honourable senator should be more precise if he wishes to gain support. I am not saying he should not receive it. I am suggesting that he try to make his case more convincing.

**Senator Di Nino:** Honourable senators, in the cases of the Canadian Commercial Bank fiasco and the Bank of Western Canada, in particular, there were public calls for action long before action was taken, regardless of which government finally took action.

In some cases regulators did not act, and in other cases governments forbade the regulators to act.

• (1540)

With respect to the majority of the failures of institutions that have occurred in this country, the losses would have been a lot less if action had been taken a lot faster. That is not to say that the failures could have been prevented. I suspect that it was a combination and/or a lack of action on the part of the regulators, or that the politicians did not have the guts to take those difficult actions.

**Hon. Michael E. Meighen:** Would the honourable senator accept a question from me with respect to this particular area? If my memory serves me correctly, the evidence was that the difficulty lay not so much in lack of administrative guts, financial guts, or political intervention, but because of the fact that there was no intermediary step. It was either close it down or let it carry on.

The natural tendency of any regulator, indeed of any politician — indeed of anyone concerned with the financial health of the sector — would be to hope against hope that a solution could be found, and that the institution would not go bankrupt. Consequently, it was that which led them to be loathe to intervene, since the only way to intervene was to close it down.

If, as the committee has suggested, there is an intermediate step whereby the regulator can intervene so as to effect an ongoing solution, then perhaps your concern would be met. Would the honourable senator agree with that?

**Senator Di Nino:** Honourable senators, I certainly agree, as I said in my remarks and in my response to Senator Stewart, that the powers can be enlarged. I say that with some care. One does not wish to get to the point where the regulators are running the businesses, because then you may as well not have a business. Having said that, there are certain things that can be done within the powers of the regulators.

However, that does not take away my main argument. Taxpayers' dollars are at stake. Hundreds, and in some cases thousands, of jobs are at stake. You cannot fool around with a serious problem. In particular, if you are part of an industry, you are probably aware before anyone else is that problems exist. The industry itself always hopes that some intervention will take place, not only to try to salvage what can be salvaged from a troubled company but also to try to salvage what can be salvaged in relation to the reputation of the industry. That reputation suffers every time one of these institutions goes under, whether it is a life company a bank or a trust company, or some other institution. The co-op movement and the credit unions had some difficult times some years back, and the whole industry suffered.

Certainly, when you possess a hammer, you cannot just threaten. I remember a remark by Rosenberg in connection with the Greymac, Crown Trust affair. I think he said, "I put them in their place when they came to talk to me." You see what happened. The regulators and the politicians did not have the guts to deal with the issue at an early enough time to save hundreds of millions, if not billions, of dollars. This is what I contend.

We are deviating from my argument somewhat. Colleagues of mine have owned small trust companies, and the regulators have gone in and said, "You are not doing things right, and we will close you down," and rightly so. However, they did not allow them the same opportunity, or deal with them with the same care that they would have shown when dealing with this bank in the 1980s. We know which bank it is. Take a look at the losses they suffered. Take a look at its capital base. You can see that it was in trouble. If it had been a small institution, it would have been closed down.

I am saying there is no level playing field, so this notion of co-insurance is nonsense. It is being perpetrated by the big banks and some other individuals who say it will cost us a lot of money and that people should take a risk. We are talking about seniors, just people; folks. The investment dealers and houses were not able to properly assess the problems that existed in companies such as Confederation Life, Royal Trust, and First City Trust. How is my mother supposed to say, "Gee, I better watch it if I put in more than $30,000; otherwise I will lose it." It is totally silly to think that an average Canadian is capable of doing that.

However, if you intend to do just that, then at least admit that the level playing field is not there, and that the major institutions will be treated differently, and rightly so. We cannot have one of the major banks fail. The country's reputation would fail along with it.

That is the argument I am trying to make; not whether they should have more or less power. It is just a mirage. It is smoke and mirrors. The institutions that are too big do not need deposit insurance. If you intend to change the rules, then you must understand that those changed rules will hurt only the smaller institutions.

Here is a committee report that has been made to the other place that says we should start on the Schedule 3 banks so that we can service the small industry. How will that Schedule 3 bank exist as a second class citizen in this industry? It is all skewed against the small businesses and in favour of the large ones.

On motion of Senator Angus, debate adjourned.

## NATIONAL PROTECTED AREAS STRATEGY

### INTERIM REPORT OF ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES COMMITTEE ADOPTED

The Senate proceeded to consideration of the seventh report of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented in the Senate on November 29, 1994.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition)**, for Senator Carney, moved the adoption of the report.

Motion agreed to.

## NATIONAL PROTECTED AREAS STRATEGY

### ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES COMMITTEE AUTHORIZED TO EXTEND DATE OF FINAL REPORT

The Senate proceeded to consideration of the eighth report of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented in the Senate on November 29, 1994.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition)**, for Senator Carney, moved the adoption of the report.

Motion agreed to.

## VETERANS AFFAIRS

### ROYAL CANADIAN LEGION—INQUIRY DEBATED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Macdonald *(Cape Breton)*, calling the attention of the Senate to certain matters relating to the Royal Canadian Legion. —(*Honourable Senator Berntson*).

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, my colleague Senator Macdonald is prepared to have this inquiry considered debated, assuming there are no other senators who wish to speak to it.

**The Hon. the Speaker:** Honourable senators, then if no other senator wishes to speak, this inquiry is considered debated.

## CONSTITUTIONAL IMPLICATIONS OF UNILATERAL PROVINCIAL ATTEMPT TO DECLARE SOVEREIGNTY OR SEPARATION

### INQUIRY DEBATED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Frith calling the attention of the Senate to a letter of June 13th, 1994 from Gordon Robertson to Lise Bissonnette of *Le Devoir*, copies of which were sent to *Le Soleil*, *La Presse* and *The Gazette*, on the subject of the constitutional implications of a unilateral provincial attempt to declare sovereignty or separation.—(*Honourable Senator Di Nino*)

**Hon. Consiglio Di Nino:** Honourable senators, I am a little embarrassed to admit that I adjourned this debate on behalf of one of my colleagues, but I do not remember who it was who asked me to adjourn it. Unless someone comes forth within the next day or so, I think it should be dropped from the Order Paper.

**The Hon. the Speaker:** Honourable senators, if no other senator wishes to speak, this inquiry is considered debated.

## THE SENATE

### ABSENCE OF APPROVAL FOR VARIOUS PROJECTS— DEBATE ADJOURNED

**Hon. Richard J. Doyle** rose pursuant to notice of Tuesday, November 29, 1994:

> That he will call the attention of the Senate to the absence of Senate approval for various projects in the purview of the Standing Committee on Internal Economy, Budgets, and Administration.

He said: Honourable senators, I am grateful for the government's provision of information in reply to a series of questions I asked in this chamber between March 15 and May 12 of this year. Although the questions asked related to various work projects being carried out in the parliamentary precincts, they were not intended to pass judgment on the worth of the undertakings. The questions dealt quite specifically with whether the Senate itself had been properly advised and whether its members were given the required opportunity to vote their approval or rejection. Those questions, I am sincerely sorry to say, remain unanswered.

I am grateful to the "government department of delayed answers" for a detailed explanation of who owns what, who may do which, and how the Minister of Public Works and the rest of us may act or interact in carrying out the good intentions of what is known as "The Long-Term Construction Project." That project, we are told, flowed from earlier studies which concluded there was something rotten in the structures which stand on the Hill.

In 1988, 12 years after the Abbott Commission reported, Treasury Board and Public Works were authorized to develop "The Plan." A draft blossomed two years later and in late 1991, it was "brought to the attention" — and those are the words used — of the Honourable Thérèse Lavoie-Roux, who was Chair of the Committee on Internal Economy, Budgets and Administration.

Smelling the possibility of action, the senator replied to Public Works saying:

> The Senate is prepared to support your plan.

She was grateful that the Senate had been given "equitable consideration in your strategy," referring to Public Works, and promised that "we will do everything in our power," the "we" being the Internal Economy Committee, to assist in implementation of the plan.

It should be noted that no money was available from any source at this time to proceed with the renovation of the 1910 wing of the East Block or anything else. The delayed government answer says:

> On September 17, 1992, Public Works received approval in principle for the Long-Term Construction Project...

and

> ... on May 26, 1993, effective approval for the 1910 wing.

This, we presume, came from the other place.

At a March 24, 1994 meeting of the Senate Agenda and Procedures Subcommittee of the Internal Economy Committee, the Director of Parliamentary Precincts Directorate, who is from the Department of Public Works, said:

> As the accountable officer, I have indicated to my minister that if we do not repair, I will recommend that we close and seal this particular wing.

This refers to the East Block.

At this point, the government's delayed answer repeats the following portion of the minutes of the meeting:

> It was agreed that your Subcommittee concurs in the recommendation of Public Works and Government Services Canada for the use of office space in the 1910 wing.

The subcommittee report was adopted by the full committee but was neither presented nor tabled in this chamber.

Suddenly, however, the answers given to me by the government last week leaped to this conclusion:

> ...in answer to Senator Doyle's question concerning the right of the Senate and of individual Senators to have a voice in the preservation and development of Parliament Hill and the Senate precincts, the Government affirms those rights.

It goes on:

> ...the Senate, through its Standing Committee on Internal Economy, Budgets and Administration, has been kept fully informed throughout all stages of development and implementation of the Long-Term Construction Project. Again, it notes that the Senate, through its Standing Committee on Internal Economy, has approved the Long-Term Construction Project both on December 12, 1991 and March 24, 1994. Furthermore, Senators have always had the opportunity to give their views on this matter through debate held under an Inquiry. During the years that the Long-Term Construction Project was under discussion and development, any Senator could have initiated such a debate.

So sayeth the authors of the government's so-called answers — answers to questions that related only to the Senate's threadbare grasp of place in the parliamentary countenance of Canada. Questions, I might add, that after eight months of government rummaging about, remain without direct response in the litter of the excuse-making.

Government inquiries are fine things and every senator should make use of them. But I ask you, should it be necessary to make a formal inquiry to bring into play Senate approval or denial of whatever its committees or committee chairpersons may recommend?

Now, a flashback. On May 31, 1988, Senator Molgat as Chairman of the Standing Committee on Rules and Orders,

presented his tenth report. The Speaker asked when it would be taken into consideration, and the chamber agreed, at the next sitting.

• (1600)

On June 2, 1988, Senator Molgat explained that the tenth report dealt with a rule change to avoid any thought that the Internal Economy Committee might not require the approval of the Senate itself for its measures. Senator Molgat said:

> The feeling was that there should be proper approval by the Senate, as there is for every other committee of the Senate, and that final decision on anything must be taken by the Senate itself.

The senators agreed. Approval must be by the Senate — not by an interdepartmental letter on strategy, and not by a committee that had no funds to spend and no details of the work at hand; certainly not by a subcommittee where three or four souls gathered beyond the eyes and ears, not only of the media, but of the Senate itself.

Honourable senators, the importance of our views, pro or con, on the long-term plan for repairs and renovations on Parliament Hill pales beside the issue of the Senate's right to be informed and to decide itself, upon the basis of facts presented, what action is appropriate for the collective. If we allow such rights to atrophy, we will have gone a great distance toward effective abolition.

Honourable senators, the "department of delayed answers," at the outset of its recently submitted statement, notes that the third of my questions dealt with a new committee room intended for the Centre Block, a part of the Public Works Department strategy that had not been debated in the Senate. I should note that Senator Hastings, that very day, did present the fourth and fifth reports of the Internal Economy Committee. Again, no mention.

What I missed on May 12 was the tabling of the committee's sixth report with a single-sentence reference to the Centre Block facility. Even that reference was not heard in the chamber. It was subsequently printed in the *Minutes of Proceedings of the Senate*. Again, the senators were given no opportunity to vote. Tabling, after all, is for information only.

The events of May 12, insofar as the committee is concerned, have surfaced once again, this time in a memo from the Senate's Director of Services to Senator Hastings. The director says:

> As part of the long-term renovation strategy of Parliament Hill, reviewed and approved by Internal Economy on December 12, 1991, and subsequently reconfirmed by the Committee on May 12, 1994 (and reported to the Senate the same day), the construction of a new committee room in the Centre Block forms but one aspect. Public Works and Government Services Canada has seen this undertaking as an opportunity to address the long-standing problem of committee facilities. As such, I have recently been informed that the Minister of Public Works and Government Services Canada has given approval for the department to proceed with the project.
>
> I would therefore like to advise that the Parliamentary Precinct Directorate will be commencing with construction as early as the beginning of December. Although a firm schedule has yet to be established, I will endeavour to keep everyone informed as the dates become set.
>
> Should you have any questions concerning this project, do not hesitate to call my office.

Honourable senators, that memo was written on November 28, the day I gave notice of my intention to raise this matter in this chamber one last time.

I thank you for your patience, honourable senators.

**Hon. Consiglio Di Nino:** May I ask my honourable colleague a few questions?

**Senator Doyle:** I will do my best to answer them.

**Senator Di Nino:** First, I should inform honourable senators that a spirited discussion on this very matter took place today at a joint committee meeting of the Subcommittee on Agenda and Procedures and the Subcommittee on Budgets and Personnel of the Internal Economy Committee.

Perhaps we can place that item on the agenda of the full committee so that we can discuss, in particular, the rules to which the honourable senator has referred.

Honourable senators, it was obvious in our deliberations this morning that there are some rather serious differences of opinion — my colleague Senator LeBreton was with me — as to what, when and how the Internal Economy Committee should present to the senators and/or the Senate.

Perhaps I could ask two questions of the honourable senator.

I am not sure as to what extent Senator Doyle thinks the chamber should be involved in the making of decisions respecting the expenditure of funds or other activities that affect the Senate or senators. In particular, once a budget has been approved and has gone through the necessary steps, should components of that particular document, which should contain most of the items, be discussed or is it the whole document that you think should be discussed? I ask for some direction on this matter.

**Senator Doyle:** Honourable senators, I think I can say it is not particularly or always the amount of money involved. People arrived here one day last summer to find the post office no longer functioning. No notice had been given that the post office was being taken away and moved to a place where it had never been before.

I remember one member of the committee a couple of years ago saying, "Don't ever let them move the post office." He is now Governor General and has no opinion on these matters.

**Some Hon. Senators:** Oh, oh!

**Senator Doyle:** I think there is a sense of feeling that when you are changing something that senators are used to, when it is something of value, when it is something that affects the way we function, then it is not untoward to follow what Senator Molgat suggested some years ago. If we do not like Senator Molgat's ruling, we could appeal it to the Speaker.

**Some Hon. Senators:** Oh, oh!

**Senator Di Nino:** Obviously, Senator Doyle and I have had some discussions about this matter, and its interpretation will have to be left to the members of the Internal Economy Committee. I agree with the honourable senator when he says that we must do a better job. In fact, earlier someone showed me an article printed in one of today's papers where I said that very thing in public. We will undertake to do a better job.

I have a great deal of respect for my colleague Senator Doyle, and my next comment should be taken not on the substance of his presentation nor the style of the presentation itself: I believe the honourable senator said that there was something rotten in the structures that stand on the Hill. I think those were his words. Was the honourable senator referring to physical structures or human structures?

**Senator Doyle:** Honourable senators, you know that I would never comment on a colleague.

The Public Works Department has told us what is wrong with the East Block — it is falling down; it is being carted away by the termites; it is being taken away by the ant flies. It is really under constant seige and has been ever since it was last restored back in 1967.

I hope there will not be any last question. I do not think I am looking for anything other than that when the carpet is to be renewed, I will not find out about it by reading *The Ottawa Citizen* and then have to say, "Is that not an interesting turn of events?"

Most people here like to be informed. They may not want to jump up and down about it. They are not demanding longer reports from committee chairmen. However, they are asking to be plugged in.

I thank Senator Di Nino for his understanding and help in writing this little script.

**Senator Di Nino:** I am actually disappointed that I threw him a line like that as a straight man, and he did not take advantage of it.

**Hon. John B. Stewart:** Honourable senators, the matter Senator Doyle has raised is of considerable importance. I am not talking specifically about the buildings and the proposed modifications. I am asking about the powers of the Internal Economy Committee.

Does the honourable senator know if there is a code or list which sets forth the particular matters on which the Senate has authorized the Internal Economy Committee to make definitive decisions? Alternatively, does the committee play it by ear? In a case such as the carpet to which Senator Doyle has made reference, or the committee room question, does the committee decide, "Well, our colleagues are too busy to deal with lowly matters such as that." Is there some way in which a member of that committee can ascertain what the Senate has authorized the committee to decide definitively?

**Senator Doyle:** Honourable senators, the committee is authorized, — and I am paraphrasing here — subject to subsection 19.1(4) of the Parliament of Canada Act, to act on all financial and administrative matters respecting the Senate, its premises, its services, its staff and the members of the Senate. Those are very broad provisions.

**Hon. Lowell Murray:** Where are they to be found, senator?

**Senator Doyle:** I am quoting the authors of the delayed answer to my oral question as reported in the *Debates of the Senate* at page 973. That was part of the preamble. They are quoting subsection 19.1(4) of the Parliament of Canada Act.

**Senator Murray:** The Internal Economy Committee of the Senate dealt with it under the Parliament of Canada Act; is that what we are being told?

**Senator Doyle:** They also referred to the Financial Administration Act. I am quite willing to check that reference for honourable senators.

However, as broad and sweeping as that may seem, if I had been phrasing it I would have said that the committee is empowered to recommend in those areas. While the committee does not need to recommend that we purchase a pound of nails, it should explain when it intends to change practices which have been accepted in another form for some considerable time.

**Senator Stewart:** I thank Senator Doyle.

On motion of Senator Di Nino, debate adjourned.

The Senate adjourned until Tuesday, December 6, 1994, at 2 p.m.

# THE SENATE

**Tuesday, December 6, 1994**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### THE HONOURABLE LUCIEN BOUCHARD

BEST WISHES ON RECOVERY

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, before I make my statement, I want to first take the opportunity in this chamber to note the dreadful ordeal which was suffered last week by a fellow parliamentarian, the Honourable Lucien Bouchard. I believe all members of this house would wish to join with me in sending our prayers and our good wishes to him, his wife, Audrey, and his two small sons for a successful and speedy recovery.

### NATIONAL DAY OF REMEMBERANCE

FIFTH ANNIVERSARY OF TRAGEDY AT L'ÉCOLE POLYTECHNIQUE

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, we did not choose December 6 as the day to discuss violence against women in Canada. Instead, five years ago, at l'École Polytechnique in Montreal, a deeply disturbed individual who hated women took a semi-automatic weapon and shot 27 people, killing 14 female students before committing suicide.

We will not forget the 14 young lives which ended on that day. Geneviève Bergeron, Hélène Colgan, Nathalie Croteau, Barbara Daigneault, Anne-Marie Edward, Maud Haviernick, Barbara Marie Klueznik, Maryse Laganière, Maryse Leclair, Anne-Marie Lemay, Sonia Pelletier, Michèle Richard, Annie St-Arneault and Annie Turcotte. We also remember the families and the friends of these women who have suffered, and continue to suffer, the anguish of that brutal act.

Today, we pause again to remind ourselves that women are being victimized daily by violence in many forms: mental, physical and sexual. Statistics Canada reports that 51 per cent of all Canadian women have experienced at least one incident of violence by a man in their adult lives, most of them in their own homes, and by men they know. In 1993 alone, 63 women were killed by their present or former partners. It is estimated that less than one-third of all incidents of violence are even reported.

While it is impossible to point to a single cause for all of this violence, the easy availability of guns has long been seen as a major factor. A woman is shot to death every six days in Canada. In the vast majority of these cases, a legally owned firearm has been used.

Last week, the Minister of Justice released a comprehensive gun control program, to be followed by legislation in the new year. That program includes increased sentences for the use of firearms in a range of crimes, provisions to deal with gun smuggling, a new national registration system, and a ban on several types of firearms, including the Ruger Mini-14 assault rifle used in the Montreal murders.

The government is also taking action on other forms of violence against women, including Bill C-41 to deal with breaches of trust, particularly in relationships between doctors and female patients. That bill also provides for harsher penalties in hate crimes against women and others; Bill C-42 will make peace bonds more effective in order to protect victims of domestic violence. We are also developing a legislative response to deal with the so-called "drunk defence" in rape cases. Our colleague Senator Gigantès presently has a private bill before this house to begin the parliamentary debate on that issue.

These measures are necessary, and they are being pursued vigorously. However, women and men across the country are also working together to ensure that this is no longer a silent issue. Together, honourable colleagues, we must attack the economic and social problems which foster the fear and the insecurity, and indeed the ignorance, which in turn breeds the anger and the hatred that promotes violence like the tragedy at l'École Polytechnique.

Legislators can, and must, pass laws to stop violence. Each of us must use our positions in public life to send a clear and unequivocal message that we cannot and will not tolerate acts of violence and terrorism against innocent women, and indeed against anyone in our society.

[*Translation*]

**Hon. Mira Spivak:** Honourable senators, on this National Day of Remembrance and Action on Violence Against Women, we honour the memory of those young engineering students and we remember their families.

Had it not been for this terrible act of violence, these fourteen young women would by now have finished their studies and be leading active and happy lives. Their future must be replaced by our collective memory, and their untimely deaths transformed into the recognition by all Canadians, but particularly by our political leaders, our judges, our police officers and our educators, that we have the responsibility to ensure that women can live their lives in greater safety.

[*English*]

Much has occurred since December 6, 1989. In the wake of that day, the Canadian panel on violence against women was convened to enquire into the problem of violence against women and to propose solutions. The report of that panel, handed down a little more than a year ago, contained hundreds of recommendations.

Weeks later, Statistics Canada released the results of its first national survey on male violence against women, the first survey of its kind anywhere in the world, and one which lifted the veil of secrecy surrounding criminal offences against women.

Late last year, with Health Canada's support, the London Family Court Clinic launched ASAP nationwide, a school-based anti-violence program. Manuals and videos are now in the hands of thousands of school boards, principals and teachers to help them put in place violence prevention programs.

Elsewhere, the Royal Newfoundland Constabulary began training sessions for its officers; the Canadians Teachers Federation distributed booklets; the Ontario Medical Association began to educate its doctors; federal and provincial governments funded a series of conferences for judges. At the first conference in 1992, the judges ate lunch in a shelter for battered women.

• (1410)

Last week, the government moved to establish stricter gun controls — a sensible legislative initiative which merits our congratulations and support.

Five years ago many, if not most, Canadians were tempted to view the stunning display of violence in Montreal as the random act of a madman. We now see that it was a dramatic end-point on a continuum of acts of violence that have been experienced by one in every two Canadian women. The slaughter at L'École Polytechnique has awakened many Canadians from deep denial. We now see that violence against women in Canadian society is a pernicious epidemic and societally rooted. Although measures have been introduced to curb violence since that day, an impact has not yet been felt, as the families of the Montreal victims have pointed out.

The Canadian panel proposed a national action plan based on zero tolerance of violence, and called on government to respond within three months of its final report. There is still no formal response, although it has been promised.

The Justice Minister has also listened to the legitimate outrage when our high court and, subsequently, lower courts, heard cases of unconscionable violence against women and allowed the defence of extreme drunkenness. No action has yet been taken, although it is promised.

In this morning's *Globe and Mail*, Michael Valpy quotes Dr. Paul Steinhauer, a psychiatrist at Toronto's Hospital for Sick Children, in his testimony before the parliamentary committee examining the reform of social programs. Dr. Steinhauer testified to widespread developmental failure in Canada, school drop-out rates, psychiatric disorders, suicide, rates of youth crime and violence, and the effects of child poverty. He made the crucial connection that the quality of caring that children receive in the first few years of life is the most important single factor contributing to their subsequent cognitive, emotional and social development. He posed the question as to whether Canadians should create institutions to enhance conditions that would allow children to get a good start in life, or whether we should continue to pay later for the consequences of developmental failure.

Marc Lépine was the product of a mother-battered and child-battered family. On the anniversary of the Montreal massacre that he committed, we cannot lose sight of the need to support social institutions that can prevent the type of conditions that produce the Marc Lépines.

## THE HONOURABLE LUCIEN BOUCHARD

### MEDIA HANDLING OF NEWS OF ILLNESS OF THE HONOURABLE LEADER OF THE OPPOSITION

**Hon. H.A. Olson:** Honourable senators, I should like to make a few comments about the way in which some members of the media handled the news of Lucien Bouchard's illness last weekend.

At the outset, I wish to say that I do not pretend to speak for anyone. This is my opinion, assisted by a few dozen phone calls that I received from Alberta as a result of what was happening.

I am told that several commentators and interviewers had a few things to say about Mr. Bouchard's political future. I did not see them all. However, I did see the CBC's *Prime Time News Magazine* last Friday night, hosted by Pamela Wallin. Quite frankly, I was appalled. I was ashamed and embarrassed. Mostly, I was disgusted by the insensitivity and lack of human decency that was displayed while Mr. Bouchard was lying in hospital, fighting for his life. There were persistent comments made about his political future and the future of sovereignty.

I do not know what the political ramifications of this business may be. I know that when Mr. Parizeau went to the hospital, he did not get in to see Mr. Bouchard. He was asked about the future of sovereignty and all that. He said, "While Mr. Bouchard is fighting for his life, I will not make any comment. There will come a time to make a comment, but it is not now when his family, his wife and children are listening."

I hold no brief for Mr. Bouchard's political objectives. However, it is a fact that he and I are both members of the human race. In my view, he and his family have the right to be treated with dignity and respect.

The CBC paid for this program out of the Consolidated Revenue Fund, from which it receives $1.2 billion annually. I am disgusted. What can we do? I do not know what we can do. I know that, in the past, when a politician disagreed with their programming, they would say, "The public has a right to know, and it is our obligation to find out and let them know." That argument cannot be made in this case.

I do not know what we can do. What I do know is that a lot of people in my part of Canada were just as disgusted as I was while watching this program. If I had some control over the CBC, I would cut its budget by a couple of hundred million dollars. Frankly, I do not want the federal treasury to be paying for this kind of programming.

[*Translation*]

BEST WISHES FOR A SPEEDY RECOVERY

**Hon. Gérald-A. Beaudoin:** Honourable senators, certain events transcend political differences, rivalry and philosophies. The struggle for his life that Lucien Bouchard has been waging these past few days is such an event. The remarkable determination and energy with which he is fighting this cruel disease denote great courage. Our hearts go out to him, his family and staff.

A word should be said about the excellent work of the medical team assigned to Mr. Bouchard. Doctor D'Amico and his colleagues have performed a minor miracle and we offer them our congratulation.

Canada is a great democracy. The coming year will be particularly important. We have a major political and constitutional issue to debate. The people of Quebec, who are part of this great democracy, have a decision to make. The debate will resume in due time, with all the major players in place. Lucien Bouchard must be one of them.

I would like to end by wishing Mr. Bouchard, the Leader of the Official Opposition in the Canadian Parliament, a speedy and full recovery. We are looking forward to having him back among us.

I also endorse the remarks made by Senator Joyce Fairbairn, the Leader of the Government in the Senate, on the anniversary of the terrible tragedy at l'École Polytechnique in Montreal. We will certainly have to change our criminal law so that such tragedies can never happen again.

## NATIONAL DAY OF REMEMBRANCE

ANNIVERSARY OF TRAGEDY AT L'ÉCOLE POLYTECHNIQUE

**Hon. Lise Bacon:** Honourable senators, on this sad anniversary I would like to pay tribute to the memory of the fourteen victims of the massacre at l'École Polytechnique in Montreal and express my sympathy to their families.

I also suggest that we take this opportunity to consider the omnipresent phenomenon of violence in our society and especially violence against women.

These young engineering students, cut down in the flower of their youth, represented the future, our future and the future of this country. A brutal and senseless massacre put an abrupt end to the hopes and dreams we shared for their future.

This terrible tragedy helped to focus public concern on the kind of violence that so far had remained hidden behind closed doors.

It is troubling to know that since the École Polytechnique massacre, nearly 500 women in Canada have been murdered by their spouses or ex-spouses. Last year, 75 per cent of such women were killed in a private home, usually their own. Most of these women were between the ages of 18 and 40. On this national day of remembrance, we must ask ourselves about the reasons for this phenomenon. There are probably no simple answers. However, for the sake of the women in this country, we must try to understand and, above all, eliminate acts of aggression against women. Otherwise, we will have failed in our task if we cannot offer them the prospect of a generous society where they can develop their full potential.

As the Prime Minister of Canada said in a speech he gave last Thursday before the French Senate, and I quote:

> We have managed to build in Canada a society that is pluralistic and fair, based on openness, tolerance, generosity and sharing.

If we do not try to put an end to this pervasive violence, we will undermine those foundations of our society. That is why our schools must teach young people respect for others, tolerance and fairness.

I hope that today Canadians will stop for a moment and consider what they can do to stop the progression of violence in any form, especially violence against women. We must never forget that tragic moment on December 6, 1989. We must continue the fight against violence in our society, and we must act now.

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[*English*]

• (1420)

# ROUTINE PROCEEDINGS

## THE ESTIMATES, 1994-95

SUPPLEMENTARY ESTIMATES (B) AND (C)—
REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

**Hon. C. William Doody:** Honourable senators, I have the honour to present the tenth report of the Standing Senate Committee on National Finance, which deals with the Supplementary Estimates (B) and (C), laid before Parliament for the fiscal year ending March 31, 1995.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

(*For text of report, see today's* Minutes of Proceedings of the Senate, *Appendix, p. 623.*)

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Doody, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## BUSINESS OF THE SENATE

ADJOURNMENT

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, December 7, 1994, at 1:30 p.m.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**Senator Petten:** Honourable senators, we will be sitting at 1:30 p.m. tomorrow in order to give committees more time to conduct their business. I also wish to inform honourable senators that tomorrow at the same time, I will have more information about further sittings of the Senate and when we hope to adjourn.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

## TRANSPORT AND COMMUNICATIONS

COMMITTEE EMPOWERED TO PERMIT ELECTRONIC COVERAGE OF MEETING

**Hon. Donald H. Oliver**, with leave of the Senate and notwithstanding rule 58(1)(*f*), moved:

> That the Senate do empower the Standing Senate Committee on Transport and Communications to permit coverage by the electronic media of its public meeting on Wednesday, December 7, 1994, for the purpose of hearing the Honourable John Manley, P.C., the Minister of Industry, with the least possible disruption of the hearing.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## CELEBRATION OF CHRISTMAS IN CANADA

NOTICE OF INQUIRY

**Hon. William M. Kelly:** Honourable senators, I give notice that on Thursday next, December 8, 1994, I will call the attention of the Senate to the way in which Canadians are being encouraged to celebrate Christmas.

# QUESTION PERIOD

## TRANSPORT

ATLANTIC REGION FREIGHT ASSISTANCE PROGRAM— REQUEST FOR IMPACT ANALYSIS—GOVERNMENT POSITION

**Hon. Brenda M. Robertson:** Honourable senators, my question is for the Leader of the Government in the Senate. In view of the fact that a large number of manufacturers and producers in Atlantic Canada rely on markets in Central and Western Canada for a major proportion of their sales — an Atlantic Provinces Transportation Commission survey shows that two-thirds of firms selling to central or western markets are dependent on those markets for more than 25 per cent of their total sales — and in view of reports that the federal government is considering cutting or eliminating the Atlantic Region Freight Assistance Program which is essential, especially on the westbound traffic from the Atlantic region, to providing a reasonably level playing field to Atlantic Canada businesses that export from the region and employ a large number of people; and, in particular, in view of Transport Canada's report that the Atlantic Region Freight Assistance Program is abused, will the Leader of the Government make representations to her cabinet colleague the Minister of Transport urging that an impact analysis of the importance of the Atlantic Region Freight Assistance Program to the region's manufacturers and producers be undertaken, and, further, that the analysis involve direct consultation with stakeholders so that, together, government and stakeholders may develop ways to improve the program, not devastate it; a program which is vital to the Atlantic region in terms of jobs and prosperity?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Robertson for her question. Her comments are far more eloquent than I could convey, so I will ensure that the minister receives a transcript of what has been said here today.

PEARSON INTERNATIONAL AIRPORT— IMPLICATIONS OF ALLEGED INVOLVEMENT OF PRIME MINISTER

**Hon. Ron Ghitter:** Honourable senators, as Senator Olson stated earlier this afternoon, I have great concern with respect to some of the material I read in the media and whether or not to believe what I read.

• (1430)

In the past few days, *The Globe and Mail* has run a series of articles in which there have been suggestions that our Prime Minister, as a lawyer in private life, gave legal advice when sought in relation to the privatization of the Pearson airport. I should like to provide an opportunity to the Honourable Leader of the Government in the Senate to advise us whether or not it is true that the Honourable Mr. Chrétien did, at that time, give legal advice in that regard.

Further, in order to clear the air of these allegations, I should also appreciate an early response from the Leader of the Government to the following questions: Was Mr. Chrétien, or any member of his law firm, retained by any person representing the Matthews Group Ltd., in relation to the privatization of Pearson airport? If so, at what dates was his firm acting in these matters?

During the 1993 election campaign, did Mr. Chrétien call for the termination of the Pearson airport agreements?

Did Mr. Chrétien absent himself from cabinet discussions relating to the privatization of Pearson airport?

Did Mr. Chrétien vote on Bill C-22 at any stage in the House?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Ghitter for his questions. He knows that the Prime Minister is out of the country at the moment and will be for the remainder of this week. I will transmit your questions to the appropriate source and obtain answers to them as quickly as I can.

**Hon. Orville H. Phillips:** Honourable senators, I have a supplementary, if I may. Were Mr. Chrétien's legal fees to the consortium among those costs that were allowed by the government, or did the government consider them to be worthless?

**Senator Fairbairn:** I will certainly take note of my friend's question and transmit it, too.

## REVENUE CANADA

AMOUNT OF EXPORT TAX PAID BY TOBACCO MANUFACTURERS—NET LOSSES TO FEDERAL TREASURY—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, when the government announced its plan to curb the smuggling of tobacco products, one portion of that strategy was the immediate imposition of an $8 per carton export tax on Canadian tobacco products.

I am led to believe that, eight months after the announcement of that strategy, spokesmen for the major tobacco manufacturers have admitted that they have not paid a cent in export taxes. They have paid nothing, because Bill C-32 gave them three ways to avoid doing so: They do not need to pay $8 per carton for cigarettes destined to duty-free shops; they do not need to pay if the volume exported is below 3 per cent of total production; they can claim reimbursement simply by paying tobacco taxes levied in the country to which they export their products. In the United States, the tax is not $8 a carton but $2.40 a carton. Of course, no manufacturer would choose to pay the higher amount.

As we are approaching the ten-month point in the government's plan, has there been any export tax paid by the tobacco manufacturers? If so, what is the total of that tax? What is the current estimate of net losses to the federal treasury this fiscal year and next as a result of the three tax initiatives?

**Hon. Joyce Fairbairn (Leader of the Government):** Senator Spivak, I have taken note of your questions, and I will pass them on and obtain an answer for you.

# ORDERS OF THE DAY

## SPLIT LAKE CREE FIRST NATION FLOODED LAND BILL

THIRD READING

**Hon. Sharon Carstairs** moved the third reading of Bill C-36, respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land.

Motion agreed to and bill read third time and passed.

## WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION BILL

SECOND READING—DEBATE ADJOURNED

**Hon. Jack Austin** moved the second reading of Bill C-57, to implement the Agreement Establishing the World Trade Organization.

He said: Honourable senators, the legislation now before us represents one of the most significant steps for Canada in its role in world trade, as well as one of the weightiest. As to the latter category, the Final Act, as the agreement which was achieved on April 15 in Marrakesh is called, with its schedules and attachments, amounts to over 22,000 pages and could only be lifted in one fell swoop by Superman. The Final Act has been in the making ever since the conclusion of the Tokyo Round of trade rule adjustments, which took effect in 1979.

In 1982, Senator Allan MacEachen, in his role of Secretary of State for External Affairs, presided over a ministerial meeting designed to examine how to proceed with a new round of trade liberalization. We also have in the Senate two colleagues who served as international trade ministers: Senator James Kelleher and Senator Pat Carney. They were active participants in the process that, after 12 years of negotiation, has delivered up a successful conclusion of what has become known as the Uruguay Round, named after the successful 1986 meeting in Punta del Este, Uruguay, which decided to proceed with the new GATT trade development negotiations.

There are many ways to understand the Final Act and its global impact. It represents the largest tax cut ever, because it will cut global tariffs which are, in substance, taxes. It should improve world living standards by making goods and services cheaper for the consumer. In geopolitical terms, it may help to ward off the battle between the North and the South, the developed countries and the developing countries, by giving market access to newly emerging economies whose sole advantage is often their cost of labour to manufacture low-technology goods.

GATT officials calculate that when the agreement is fully implemented in the year 2005 — there is a ten-year phasing-in period for many countries and in certain sectors — the world economy will have been boosted by more than $500 billion U.S. annually, or by some 2 per cent of world GNP. The Department of Finance has estimated that Canada will see quantifiable gains of at least 0.4 per cent in real income, or $3 billion annually, when the agreement is fully phased in. These quantifiable gains will only be a fraction of the actual gains that will almost certainly occur.

In the briefest summary, the Final Act implements the lowest trade barriers ever. Tariffs are removed on a wide variety of unprocessed and value-added products. The average level on tariffs that remain is reduced to about one-third. Non-tariff barriers such as import quotas are banned. Agricultural trade wars should decline as government subsidies for agricultural production are controlled. Trade in services will be brought under regulation for the first time. The present GATT agreements will be subsumed into what will now be designated as the World Trade Organization. The WTO will be a permanent organization with powers to adjudicate trade disputes, and with the right to permit countries to take trade measures against other countries found to be in breach of WTO rules.

Bill C-57, the legislation before us today, provides for the necessary changes in Canada's domestic law to ensure the implementation of the Final Act of April 15, 1994 to which Canada is a signatory. The Final Act, by its terms, is to come into force by January 1, 1995. The government seeks passage of this legislation at this time to permit Canada to be a charter member of the WTO on January 1, 1995. Honourable senators will know that the world's major trading powers, including the United States, Japan and the European Community members, have already approved the WTO agreement and will be bound by its measures as of January 1, 1995.

• (1440)

Apart from amending Canada's existing laws and tariff schedules to bring them into conformity with our obligations under the Final Act, Bill C-57 provides for the appointment of representatives to the World Trade Organization and for the payment of Canada's share of its budget.

The Liberal Party made clear before taking office that it was a strong supporter of the multilateral trade process and that it would support the GATT and success of the Uruguay Round as the keystone of Canada's trade policy. In office, we focussed our efforts to break the deadlock in the Uruguay Round and to build the permanent World Trade Organization. Amongst the industrialized countries, Canada is second only to Germany in its dependence on world trade to maintain its standard of living. Some 30 per cent of our GDP is export dependent. By creating a more open and stable trading environment, the WTO agreement will generate increased Canadian exports and investments. Exports are crucial to the achievement of the government's job and growth agenda and to Canada's continuing prosperity. The successful conclusion of the WTO agreement is already having a positive effect in Canada and elsewhere through improving confidence in the world economy.

The Marrakesh World Trade Deal of April 1994 involves approximately 40 separate agreements collectively amounting to the greatest commercial agreement ever negotiated on a universal basis. The centerpiece of the new trade regime is the World Trade Organization. The WTO will provide the organizational framework within which the members will pursue rights and obligations contained in three main agreements; the amended GATT, a new general agreement on trade and services, and a new agreement on trade-related intellectual property rights, or TRIPS. The old GATT agreement and its revisions over approximately 47 years are now a part of the new WTO regime. Codes and schedules of the GATT period have been reviewed and revised, sometimes radically.

On the thorny issue of agriculture, a detailed agreement has been worked out involving tarrification of all border measures, minimum access commitments, reductions in export and production subsidies, and real discipline in domestic support measures.

The Final Act is to enter into force on an all-or-nothing basis with the exception of four plurilateral agreements; procurement, aircraft, dairy products and bovine meat products. Signature on the Final Act means acceptance of all the agreements.

From a trade policy perspective, the great area of success is in the development in international rule-making. The creation of a permanent trade policy review mechanism, or TPRM, will provide a basis for the design and implementation of a more ambitious set of rights and obligations based on the terms of the Final Act. Definitions of rules of origin, customs valuation, government procurement obligations and many more will add security to trade practices. There appears to be a genuine transition to a more law-like and less political approach to dispute settlement. What has been achieved is the revitalization of the multilateral trade system based on the principles of nondiscrimination, transparency, due process, consultation and cooperation.

Clearly the WTO agreement has not stemmed interest in the value of regional arrangements. However, it has channelled their development and provided a greater likelihood that regional agreements will be, in effect, negotiating rounds for the further development of the multilateral process. NAFTA, for example, may well be a role model for extending serious obligations in the trade field to developing countries around the world, beginning with the countries of Latin America. It is to be hoped that regionalization will provide a stimulus and forerunner to deeper and broader global integration, rather than a prelude to the developments of inward-looking trading blocs.

Although this agreement covers a wide array of issues affecting international trade relations, three areas stand out, both as a result of the leadership role Canada played in promoting progress and consensus and as a result of these elements representing for us the most important and beneficial achievements of the round. I refer to the market access package, to the agreement on subsidies and countervailing duties which grew out of the Canadian draft, and to the agreement to establish a new institution in the World Trade Organization with a greatly strengthened and integrated dispute settlement system.

The creation of the World Trade Organization is largely the result of a joint initiative by Canada and the European Union. Under the Uruguay Round Agreement, access to markets for industrial products will be substantially improved with most tariffs being cut by at least one-third. Deeper cuts, including zero tariffs in some ten sectors, will also be made. Overall, Canadian exports to the European Union will benefit from tariff reductions of almost 60 per cent. Tariffs on our exports to Japan will be reduced by about 70 per cent. The impact of tariff escalation will be reduced as well. For example, the gaps between tariffs on finished products and raw materials will fall by as much as two-thirds for products of importance to Canada, such as copper, lead, zinc and other non-ferrous metals.

A major achievement of the Uruguay Round is that the agricultural sector is brought under the rules-based multilateral regime. Agricultural tariffs will be cut overall by 36 per cent with domestic support measures to be reduced by 20 per cent and export subsidies by 36 per cent in terms of budgetary expenditures over a six-year period. This represents a significant gain for our agricultural exporters. More generally, the agricultural reforms will contribute to improved efficiency in the world economy, providing a good start for future disciplines, particularly on agricultural export subsidies.

For the first time, trade in services and trade related intellectual property are brought within the framework of multilateral disciplines. The agreement on services covers trade and investment worth approximately $2 trillion annually and will promote continuing liberalization in these sectors. Multilateral rules on intellectual property will provide a stronger basis for the development and transfer of technology. Agreements in areas as diverse as rules of origin, import licensing and pre-shipment inspection will improve conditions for all international traders.

The agreement strengthens trade remedy rules, thereby realizing one of Canada's priority objectives heading into the round. The agreement defines the concept of subsidy for the first time in a multilateral trade agreement. Further, it sets out criteria exempting certain subsidies for regional development, research and development and the environment from countervailling measures.

In this era of fiscal constraint, Canada will benefit from the strengthening of multilateral disciplines on subsidies that can have such adverse effects on our competitive position in both the domestic and foreign markets.

Although the agreement does contain some improvements with respect to antidumping measures, we shall have to go further to ensure that such measures are not used as an instrument for continuing protectionism.

• (1450)

The agreement effectively precludes unilateral measures in responding to trade disputes. The new integrated dispute settlement system — one with clearer rules, tighter deadlines and, for the first time, an appeal process and binding effect — is a major improvement over the existing GATT system. In the final analysis, rules are only as effective as the means of enforcing them. This wholesale reform of the multilateral trade dispute settlement system therefore represents an important, if unquantifiable, benefit for small- and middle-sized players like Canada, which are inherently vulnerable to the threat of unilateralism by the economic giants.

The crowning achievement of the Uruguay Round is the creation of the new World Trade Organization. Such an organization is indispensable in overseeing the operation of the complex series of agreements and other instruments resulting from the round. It will also provide for greater political surveillance of the system by trade ministers in coming years.

The World Trade Organization will finally put international trade on a firm institutional footing by becoming the third pillar of the world's commerce and financial structure, along with the World Bank and the International Monetary Fund. As the successor to GATT, the World Trade Organization will provide the forum for future trade negotiations aimed at further trade liberalization worldwide and the development of new global rules.

As an aside, honourable senators will know that the 1947 agreements that set up trade rules under GATT also sought to create an international trade organization to supervise the application of those rules. Largely due to the objections of the United States, the ITO was not approved. I did my doctoral thesis at the University of California, Berkeley on the ITO and the attempt of the world community to create a judicial system for world trade dispute settlement. I little thought that there would be such an achievement and the beginning of a rule of law in international trade disputes.

Honourable senators, all parts of Canada and most sectors of our economy will reap substantial benefits from the Uruguay Round agreements. The business and agricultural communities, as well as the provinces, were closely consulted throughout the course of these negotiations. It is in no small part due to their contributions that these agreements will provide real tangible benefits for Canadian producers and consumers in all regions.

The elimination of tariffs on paper and allied products and lower tariffs on lumber will substantially improve access to the European Union and Japanese markets for our forest product industry, particularly in British Columbia, Quebec and the Atlantic provinces.

The reduction in tariffs and non-tariff barriers in Europe, Japan and Korea, although more limited than we would have wished, enhance the export competitiveness of the fish products industry in Atlantic Canada and British Columbia.

The agreement will produce a more market-oriented and global trading environment for our agricultural sector. Reductions in export subsidies and in the volume of subsidized exports will put our field crops, particularly grains and oilseeds from the prairies, on a more equal footing with those of our principal competitors.

At the same time, supply management will be able to continue operating as an effective Canadian approach to producing and marketing dairy and poultry products. The agreement allows for the continuation of supply management systems through high import tariffs that will maintain a real security for these sectors.

New rules and disciplines on sanitary and phyto-sanitary measures will improve prospects for exports of many Canadian agricultural and forest products.

The reduction and harmonization at lower rates of tariffs for chemicals and chemical products will improve access to world markets, especially in Asia and Latin America, for our producers concentrated in Alberta, Saskatchewan, Ontario and Quebec.

Sectoral free trade for pharmaceuticals will result in lower import costs and improved market access, and will enhance exports to offshore markets particularly from Quebec and Ontario.

Improved protection for intellectual property will enhance prospects for investment and for research and development.

The Canadian communications and electronic equipment industries concentrated in Quebec and Ontario will benefit from the substantial reduction of tariffs in important industrialized markets. Software and computer services exports will be facilitated by the agreements on services and trade-related intellectual property.

Canada has many strengths in the services sector that will benefit from increased global market opportunities brought about by the new General Agreement on Trade and Services, or GATS. Services in which Canada is competitive internationally include various professional and management consulting services, technical testing, financial, computer and environmental services, telecommunications, air transport, tourism, commercial education and training, health-related services, geomatics, maintenance and repair, and services incidental to agriculture, mining, forestry, energy and manufacturing.

Increased clarity and discipline in the use of multilateral trade rules, particularly countervailing duties, as well as more effective dispute settlement mechanisms, will provide greater security of access for Canadian products in many markets. Canadian products that have in the past suffered harassment from countervail actions, and which can expect more secure access as a result of the agreement, include lumber, fish, pork and magnesium.

In addition, new rules on subsidies provide for the possibility of taking action against subsidized products that displace Canadian products in foreign markets, including those of the subsidizing country. These provisions could be of benefit to Canadian manufacturers of civil aircraft and ground transportation equipment, steel and steel products and other sectors that have been heavily subsidized by foreign governments.

As a country that stands to benefit greatly from these agreements, Canada has insisted that our principal partners fully implement their Uruguay Round obligations by legislating them into their domestic law. We have paid particular attention to the U.S. implementing legislation. The government has been in frequent touch with the U.S. authorities at the highest level to urge them to ensure that U.S. legislation faithfully reflects the international agreements. We are satisfied that the United States legislation adopted by Congress on December 1, while not absolutely perfect, does substantially implement the Uruguay Round of agreements.

The government has also reviewed the European Union and Japanese implementing bills and has made representations to the European Union on certain detailed provisions of its legislation. We are satisfied that the EU and Japanese legislation substantially implements their obligations.

At this point in time, some 40 countries have completed the domestic legal procedures necessary to ratify and implement the WTO agreement. The director general of the GATT estimates that some 70 governments, including all of Canada's principal trading partners, will have completed their legislative procedures in time to bring the agreements into force and to establish the new World Trade Organization on January 1. It is important that Canada play its part and give a clear signal to the world community that we intend to complete our domestic procedures and implement these agreements into Canadian law in time for the January 1 start-up.

Honourable senators will note that Part III of the bill provides that the Governor in Council will bring this bill into force only when satisfied that the WTO agreement is in force. Of course, the WTO will enter into force only after all the important trading countries have adopted the necessary implementing legislation.

Canadians understand that our domestic market is too small to generate alone the level of prosperity we enjoy. It behooves Canada to make a contribution to the functioning of the international trading system proportionate to our interest in the system itself. That is why Canada played a key role in the negotiations that led to the agreement to establish the World Trade Organization; and that is why we are now playing a leadership role in the complex, detailed, preparatory work required to get the WTO up and running.

We are committed to completing, as soon as possible, the unfinished work of the Uruguay Round in such areas as government procurement and financial and telecommunications services. We are also committed to beginning work on the new generation of trade policy issues, including such matters as the relationship of international trade to the environment, competition policy investments and labour standards. We intend to help shape the agenda and basic concepts at an early stage so that future negotiations will advance Canadian interests.

Canada's economic strength now and in the future will depend fundamentally on our willingness to stay on the leading edge of free trade, to take an active and creative role in forging new relationships and in building new structures that, over time, can extend the reach of a rules-based international order. The multilateral system centred on the World Trade Organization will be the foundation of that international order, but it is not the only element of what is, and must be, a complex and constantly evolving order.

• (1500)

Canada cannot wait for the international community to provide the institutions and mechanisms that will ensure our economic security. Multilateralism, while remaining our first option, cannot remain our only option. For Canada, this means taking a yet more active and creative role in forging new relationships and in building new structures that, over time, can extend the reach of rules-based trade.

The original justification for the Canada-U.S. Free Trade Agreement and the subsequent trilateral agreement with Mexico was really just that: to push forward in areas where our degree of economic integration seemed to call for a deeper, more comprehensive, more expeditious regime of rules and procedures than the GATT could provide. It is Canada's goal to extend this deeper free trade relationship throughout the hemisphere and beyond, beginning with negotiations on Chile's accession to the NAFTA.

Although the negotiation and implementation of the NAFTA has forced Canada's attention in recent years southward to the rest of this hemisphere, we must also begin to explore new means of expanding our trade relations eastward across the Atlantic to Europe, and westward across the Pacific to Asia. As you know, the government has made the expansion of Canadian involvement in Asia-Pacific trade and investment a top priority, and we have backed up that commitment with concrete and continuing action.

Our motivation is clear: Last year, Canada exported $16.5 billion worth of goods across the Pacific, and our imports amounted to $21.5 billion. We have enjoyed a growing trade and investment relationship with many Asia-Pacific countries. However, we know that, overall, Canada's level of commerce has not kept pace with the growth of a region that will, by the year 2000, account for 50 per cent of global production and 40 per cent of global consumption.

What has held us back? Part of the problem is undoubtedly related to our proximity to, and success in, the huge U.S. market. It is the single biggest, richest market in the world, with similar laws, customs and tastes. However, in a globalized economy in which competitive challenges and opportunities are global in nature, Canadian firms cannot afford to overlook the Asia-Pacific market, home of half of the world's people.

The government is keenly aware that Canada's full participation in Asia-Pacific markets has suffered as a result of tariff and non-tariff barriers, discriminatory practices and standards, and obscure rules and customs. Canada is working hard, both through the GATT and through the Asia-Pacific Economic Cooperation forum, or APEC, to tackle and progressively eliminate all these barriers. To this end, the APEC leaders, including Prime Minister Chrétien, agreed at their summit meeting last month in Indonesia to announce their commitment to complete the achievement of the goal of free and open trade among Asia-Pacific countries no later than the year 2020. They also agreed that the pace of implementation will take into account the differing levels of economic development among APEC economies, with the industrialized economies achieving the goal of free and open trade and investment no later than the year 2010.

The APEC leaders emphasized their strong opposition to the creation of an inward-looking trading block that would divert from the pursuit of global free trade. They agreed to pursue free and open trade and investment in the Asia-Pacific region in a manner that will encourage and strengthen trade and investment globalization in the world as a whole.

The leaders also noted the significant contribution APEC made in bringing about the successful conclusion of the Uruguay Round, and agreed to carry out their Uruguay Round commitments fully and without delay.

Honourable senators, the government is committed not only to changing the international rules and regulating trade but also to helping our business community take advantage of the market-opening opportunities that these rules provide. One element is the "Trade Team Canada" approach to international business development which the Minister of International Trade is developing at the direction of First Ministers. The advantages of this approach were demonstrated by the signing of contracts worth potentially $8 billion in China and over $100 million in Vietnam when the Prime Minister led a team of nine provincial premiers and some 375 business leaders to Asia last month. As an active participant both in the preparations for this mission and in the mission itself, I can assure the Senate that the achievements of the mission are real. The government intends, when appropriate, to use a similar approach in other regions, adapted, of course, to the local political and commercial environment.

The implementation of the GATT Uruguay Round agreements by the world trading community will begin a whole new set of negotiations to advance the terms of reference of world trade. The Uruguay Round has taken 12 years from start to finish, and the new round which now begins in innumerable conversations, bilateral sessions and multilateral fora, will probably take as long or even longer.

As I have said, the present Uruguay Round agreements moved the trading world forward in many fields, particularly the protection of intellectual property rights, the gradual reduction of tariffs on agricultural products, definitions of many terms for trade remedy rules, limitation on antidumping laws as protectionist devices, and a dispute settlement system with some teeth.

A more sophisticated understanding of the nature of trade practices and their economic roles is now creating an entirely new set of issues: Questions relating to labour conditions, environmental standards, human rights, and the economic costs and benefits attributed to domestic policies, when added as a factor of cost in international trade, will open new dialogue and many unheard-of new arguments. We saw the emergence of some of these issues in the development of the North American Free Trade Agreement with the preparation of side letters to define these issues. Trinational bodies to deal with environmental and labour issues have already been established under NAFTA.

Many issues were raised by various of the parties but left out of the Marrakesh agreements. The United States pressed the movement of cultural products such as movies across national boundaries, and the opening of markets to financial service companies. These matters will be the subject of renewed pressure, and Canada may again find itself on the defensive.

Canadians will also take the offensive to try to develop new standards as a basis for world trade. We may seek to reduce world environmental pollution by refusing to import goods from countries that pollute the environment, or reduce volumes of trade with countries that fail to adhere to international environmental standards. We may become as concerned about goods produced by child or prison labour, or by countries whose domestic distribution of wealth we see as exploitive of its labour force. We may even press the world community to permit the World Trade Organization to levy a tax on international trade in order to create a fund to improve the environmental or social conditions in certain parts of the world.

All of this is speculation. Today we are asked to consolidate and implement the gains served by the agreements signed in Marrakesh. A new round in a formal process is probably some time away, and it may not come again soon in the form of a multilateral world-based negotiation.

We are seeing also a parallel trend in the efforts being made in many parts of the world to liberalize trade on a regional basis. In November, in Indonesia, the APEC leaders set targets all the way to the year 2020. The western hemisphere leaders' meeting in Miami on December 9 is pursuing the objective of hemispheric free trade. The European Community is gaining new members, regional agreements in Africa are in existence, and there is even talk of a regional economic agreement in the Middle East. Perhaps the next great round will be a negotiation amongst regions.

Mention must be made of the Special Joint Committee Reviewing Canada's Foreign Policy and its report of November, 1994, "Principles and Priorities for the Future." This milestone committee was co-chaired by Senator Allan MacEachen and Jean-Robert Gauthier, MP, now Senator Gauthier. I commend all parts of the report to honourable senators, but in the present context, I urge honourable senators to become familiar with Chapter 3, "Building Shared Prosperity." I endorse strongly the explanation and recommendations of the committee as they deal with both short-term and long-term trade issues. I am pleased that the committee's work was unanimously endorsed by its Senate members. Our trade policy here in the Senate is truly bipartisan.

• (1510)

Honourable senators, the Honourable Michael Wilson, the International Trade Minister in the former government, played a major role in negotiating the agreement which the bill before us today will implement. In submitting this bill for approval, the government counts on the support of all parties in this chamber for the fundamental principles of Canadian trade policies set forth in the preamble to the bill; namely, that the cornerstone of our trade policy is the multilateral system of mutually agreed market access conditions and non-discriminatory trade rules; that free, fair and open trade is essential for the future of the Canadian economy and for securing the competitiveness and long-term sustainable development of Canada, and that trade expansion contributes to job creation, achieves higher standards of living, offers greater choice to consumers, and strengthens the Canadian economic union.

Honourable senators, these are the essential objectives this bill seeks to promote. I invite members of the Senate to join in considering its purposes and provisions and in assuring its timely adoption.

**Hon. Lowell Murray:** Honourable senators, on what basis does the honourable senator state that Canada will find itself on the defensive in the future with regard to our cultural industries?

**Senator Austin:** I make that statement on the basis of the work that was done during the negotiations on the Uruguay Round, particularly with respect to attempts by the United States to improve access in world markets for its cultural properties. I refer particularly to the role which France and Canada played in establishing the present arrangement. However, I do not believe for a minute that the United States, in pursuit of its trade policies, will cease and desist on this matter.

**Senator Murray:** Does the government consider the solution arrived at in the multilateral negotiations satisfactory? I am referring to the exemption with regard to cultural industries.

**Senator Austin:** Honourable senators, I can only speak as one senator in saying that while I introduced the bill for the government, the honourable senator has posed a hypothetical question.

**Senator Murray:** Honourable senators, I asked whether the government considers the solutions arrived at as satisfactory.

To complete the thought, my impression is — and I stand to be corrected — that what was arrived at in the multilateral negotiations is very similar to the exemption that Canada sought and received in the free trade and NAFTA negotiations with regard to cultural institutions.

**Senator Austin:** The brief answer, honourable senators, is that the government signed the agreement and is therefore satisfied with that aspect of it at this time. However, I was hypothesizing that the United States and others would be leading with their old arguments again some time in the near future.

On motion of Senator Lynch-Staunton, debate adjourned.

## BOOK ENTITLED ABOVE THE LAW

INQUIRY—DEBATE ADJOURNED

**Hon. William M. Kelly** rose pursuant to notice of Tuesday, October 4, 1994:

> That he will call the attention of the Senate to the book entitled *Above the Law.*

He said: Honourable senators, I wish to take a few moments to talk about a book published last spring which caused quite a stir in official Ottawa circles. The book is Paul Palango's *Above the Law*, with the rather sensational leader: "The shocking but true story of corporate crime and political corruption in Canada." I had intended to air my thoughts on this book last May or June shortly after it was published, but my schedule and the Senate's did not coincide.

Honourable senators, those of you who have read it know that *Above the Law* is an unabashed testimonial of one or two former senior officers of the RCMP who are now in private practice or retirement but who actively collaborated with the author. In essence, this book catalogues a list of high profile cases investigated by these officers. In most of those cases, no charges were laid. In other cases where charges were actually laid, charges were subsequently reduced or judges and juries found the defendants innocent. The book's author and protagonist attributes this to political interference and political corruption at the very highest levels.

Honourable senators, I should mention at the outset that my name is mentioned in the book. According to the reference, I once met for lunch with one of the persons who, the book alleges, was the object of suspicion by the RCMP. I have no recollection of the lunch nor of the person I am supposed to have lunched with, but, be that as it may, the reference to me was innocuous. Unless the book alleges guilt by association, I do not take it that I, at least, have been in any way slurred by the book.

Honourable senators, the author purports to raise two fundamental and very serious issues: First, he calls into question the integrity of the Canadian justice system and the manner in which this country is being policed; and, second, he alleges that Canada has a two-tiered justice system where the treatment accorded to the political and business elite is significantly different from that accorded to the average Canadian. These are serious allegations that merit serious attention. The problem is that the book provides no compelling evidence other than inference, innuendo or speculation that either allegation is true.

I took it upon myself to have one of my people contact bureaucrats who occupied, or recently occupied, senior positions in the police and security establishment in the Solicitor General's department, the Privy Council Office and the Department of Justice. These are people who sit or sat at the nexus between the political level and the RCMP, people who attended many meetings between ministers, their staffs and representatives of the RCMP at the highest level. Not one single person supported the book's allegations about political interference in RCMP investigations; not one was privy to or even suspected such interference, and not one had been contacted by the author of the book.

• (1520)

A point must be made here, however, which may explain at least in part Mr. Palango's conclusions. The McDonald commission, as many here know, and as the book recounts, was critical of the RCMP, particularly the security service, for certain of its activities. The commission recommended that the security service be transferred to a civilian security intelligence agency. That was done, and we now know it as CSIS. It also recommended that the RCMP be more accountable to the government, and mechanisms to enhance accountability were put in place.

That quest for increased accountability resulted in more meetings with ministers and their staffs and more information going from the Royal Canadian Mounted Police to ministers and their offices. However, there is no evidence I know of that these meetings or this information was case specific, or resulted in political interference by ministers.



However, this enhanced accountability could be misinterpreted by the uninformed observer and by some members of the RCMP as political interference. We must bear in mind that one of the foundations of our parliamentary system is collective and individual ministerial responsibility to Parliament. That ultimate responsibility of ministers extends to the RCMP; and the RCMP must account to ministers and, through them, to Parliament. Otherwise our system breaks down.

We must also distinguish between accountability on the one hand and direction and control on the other. Accountability from the minister's perspective is passive. He or she receives information that allows that minister to exercise his or her constitutional responsibility to Parliament. It is a huge leap in logic to assume that accountability leads inexorably to inappropriate political interference, to control or direction. Mr. Palango and the book's protagonists appear to have made that unfortunate and unwarranted leap of logic.

Honourable senators, I am not here to give a book report. I want to talk in a thematic way about several questions or issues raised by this book which disturb me deeply. The first is the increasing tendency of those in public service to publish kiss-and-tell books upon their retirement from public office. Such books, no matter who is the author, are suspect from the beginning because they provide a very one-sided perspective, a perspective that cannot help but be tinted by self-interest.

There is always the danger that the protagonist will claim, in the eyes of posterity, a status or recognition that was denied in real life. It is difficult for bitterness or past slights and failures not to seep through. It is difficult not to try to rewrite history in one's own image. It is particularly dangerous when police officers become involved in such efforts. Police officers, by virtue of their position, have access to an enormous amount of information from a range of sources. Some of this information may be accurate; some will be of questionable accuracy, at best. Most is not, and should not be, in the public domain.

It is fundamentally wrong, therefore, for such information to find its way into the public domain through a retired policeman's public musings, accompanied by that policeman's interpretation of the meaning or veracity of that information. Policemen occupy a position of trust, a trust that survives, or should survive, their retirement from the force. That trust should include the confidentiality of information obtained through a police investigation that has hitherto not been released and has not had the benefit of objective interpretation, cross-examination or the presumption of innocence.

Upon joining the RCMP, regular and civilian members swear three oaths: an oath of allegiance to the Crown, an oath of office and an oath of secrecy. I am told that these oaths, particularly the oath of secrecy, have not changed in a material way for over 50 years. The oath of secrecy reads as follows:

> I do solemnly swear that I will not disclose or make known to any person not legally entitled thereto any —

— and I emphasize "any" —

> — knowledge or information obtained by me in the course of my employment with the RCMP. So help me God.

That leads me to my second point. Where did the information used in this book come from? Mr. Palango, in his preface, writes that one of the protagonists:

> ...agreed to cooperate with me to the extent of giving me access to copies of his old court briefs, handwritten notes and other documents...

That is in relation to the investigation and other matters described in this book.

Throughout the book, words spoken by persons under investigation are often quoted, sometimes at great length. Where did these quotations, which are found between quotation marks in the book, but without indication of source or attribution, come from? One can only assume that they came from transcripts or wire taps or police interviews during the course of the investigation.

Good God, honourable senators, what are we seeing here? Are we seeing RCMP officers upon their retirement taking with them files relating to investigations in which they were involved? Worse still, are we seeing retired RCMP officers who feel they can use that information in any way they see fit? Surely, this constitutes a violation of the Privacy Act.

Many people will be hurt by this book: people who were investigated but never charged, people who were charged but found innocent. They will all suffer the indignity of unhappy events past being dredged up once again, based on the premise of the author and the protagonists that they should have been charged and, once charged, should have been found guilty beyond a reasonable doubt. Also hurt will be current and former RCMP officers whose representations have now been sullied by the book's allegation that they somehow acted improperly or were incompetent in the conduct of their official duties.

This brings me to my third concern, and that is the relationship between police and the media. The book's protagonists obviously have a high regard for so-called investigative journalists and feel they have a role to play in the criminal justice system. Investigative journalists, with appropriate guidance, can go where police cannot go, unencumbered as journalists are by the requirement for such troublesome things as search warrants and the principles of natural justice, due process and the rule of law. Journalists can say or write things, sometimes based on strategic leaks from police officers, that could not be introduced as evidence or would not stand up in court. The only protections are libel laws which kick in after the damage has been done.

I worry about the developing symbiotic relationship between the media and some police officers. The potential for — in fact the evidence of — misuse is just too great. I am concerned about the media being used by some police officers to put pressure on someone who is the subject of an investigation.

I am concerned that some police officers evidently think, "If we cannot get them through the courts, we will get them through the media." I am concerned about journalists who either do not recognize their power or who abuse their power. In writing about someone who is the subject of a police investigation who has been charged with a criminal offence, journalists rarely have a balanced perspective. What they write is untrammelled by the rules of evidence, and yet they have the power of investigator, prosecutor, judge and jury. What they write is often accorded the status of "fact" by the unsuspecting public.

If the media, on one hand, is to benefit from the constitutional freedom of the press, that freedom has to be balanced, on the other hand, by an equivalent responsibility to act fairly, objectively and properly in writing about criminal investigations and charges. That sense of responsibility is sorely lacking, in my judgment, in most of today's journalists who have been overwhelmed by the quest for sensationalism in order to sell more newspapers or books, and generate more advertising revenue.

These are relatively small points beside the major one I wish to raise today: We now have on the public record the allegation that at senior levels the Royal Canadian Mounted Police have been politicized and that, due to budget constraints, organizational, philosophical and turf considerations, the commercial crime and drug enforcement divisions of the RCMP are ineffective.

Honourable senators, what are we to do with these allegations? Are we to leave them hanging without investigation or rebuttal? The RCMP has chosen not to respond, and I think quite rightly so. The RCMP have said it cannot respond to the book's specific allegations because of privacy laws, and I think they are correct. Because the allegations relate to a previous government, the current government may decide to adopt a hands-off strategy. I think that would be a bad strategy because it would leave the allegations to fester.

Therefore, I ask, what does the government intend to do? These allegations are very harmful to the RCMP and could do harm to the RCMP's working relationship with other police forces. I urge the government to undertake an investigation into these allegations and to make a public statement that, in one way or the other, clears the air.

Finally, I also urge the Privacy Commissioner to investigate whether the Privacy Act has been violated through any disclosure of privileged information in that book. Mr. Palango and his collaborators should not be above the law.

On motion of Senator Cools, debate adjourned.

• (1530)

## RELATIONSHIP BETWEEN PARLIAMENT AND THE COURTS

INQUIRY—DEBATE ADJOURNED

**Hon. Anne C. Cools** rose pursuant to notice of Thursday, November 24, 1994:

> That she will call the attention of the Senate to the relationship between Parliament and the Courts, including the Law of Parliamentary Privilege and the relevant jurisprudence.

She said: Honourable senators, on November 30 last I spoke to the history of the law of parliamentary privilege. Today, I shall speak to the relationship between Parliament and the courts of law. This relationship has its origins in the undivided High Court of Parliament, where the task of the judges had been to advise the King and his council.

In Canada, appeals to the Judicial Committee of the Privy Council, to the Parliament of the United Kingdom, were ended in 1947 when the Supreme Court of Canada became the final court of appeal in Canada. The Parliament of Canada was unaffected, retaining its powers of a court of record, its *lex et consuetudo parliamenti* remaining the Grand Inquest of the nation.

The Supreme Court in Canada is a creation by statute of the Parliament of Canada, the Supreme Court of Canada Act. The powers and authority of the Supreme Court are determined by this statute.

The relationship between the courts of Canada and the Parliament of Canada did not change in 1982, despite the many legalists, on and off the bench, who insist that with the enactment of the Charter of Rights, the locus of power somehow shifted from Parliament to the courts. This premise is erroneous and insufficient, and merits greater debate in the Houses of Parliament.

Parliament, through the cabinet, appoints judges and removes them. The only body in Canada that is authorized to discuss and adjudicate the behaviour of a judge is the Parliament of Canada. Section 99(1) of the Constitution Act, 1867, states in part:

> ....the Judges of the Superior Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

Parliament has demonstrated enormous restraint, forebearance and grace in the exercise of this power; and the offending judges exercised wisdom and usually resigned before the resolution was tabled. Section 99(1) of the Constitution is mindful that the appointment of judges and their removal are matters of much gravity.

In 1869, on the question of the gravity of appointment of judges, Sir John A. Macdonald said:

> I have always laid down with respect to the judiciary, the principle that no amount of political pressure shall induce me to appoint an incompetent or unworthy judge.

There is no doubt that "constitutional society" acted deliberately, constitutionalizing good behaviour as the tenure of judicial office. In 1883, on judicial conduct, the Honourable Edward Blake, former minister of justice, said:

> There is no function of ours of higher importance or greater consequence to the public weal than the function that we hold of enquiring into or censuring, or dealing with the conduct of the Judiciary.
>
> I am not one of those who at all object to this great, this highest court of all, this grand inquest enquiring by proper means into the conduct of the judges. As I have said, I believe that to be our highest, our most important and also our most delicate function.

For generations, Parliament has treated judicial behaviour and judicial activity with great care. Parliament expects that the judiciary will treat Parliament and its laws with reciprocal care. Parliament expects that no court will truncate its functions. On this relationship of Parliament and judicial functions, Sir William Anson, in his book *The Law and Custom of the Constitution*, said:

> ...the courts have no claim to substitute their judgement for that of the legislature...

As regards this relationship, Justice Willes in *Lee v. Bude and Torrington Junction Ry Co.*, 1871, said:

> ...and we do not sit here as a court of appeal from Parliament.
>
> We sit here as servants of the Queen and the legislature. Are we to act as regents over what is done by Parliament with the consent of the Queen, Lords, and Commons? I deny that any such authority exists.
>
> The proceedings here are judicial, not autocratic, which they would be if we could make laws instead of administering them.

Further, Alexander Hamilton, in *The Federalist Papers* wrote:

> The courts must declare the sense of the law; and if they should be disposed to exercise WILL instead of JUDGMENT, the consequence would equally be the substitution of their pleasure to that of the legislative body.

Parliament commands the purse, the executive commands the sword. The judiciary commands neither the sword nor the purse. The courts have "neither force nor will, but merely judgement." When courts of law exercise will, they enter into the realm of politics.

Judicial institutions in the Canadian Constitution are creations of the legislature. The organization, financing and administration of the courts are by legislative statutes. Even the procedure and rules of the courts are provided for by statutes of the legislature.

On the issue of judicial independence, Peter Russell, in his book, *The Judiciary in Canada*, says:

> In the Canadian system, constitutional conventions play a particularly important role in regulating the relationships among the different branches of government — including the relationship of the judiciary to the legislature and the executive. In this respect the Canadian Constitution draws heavily from the British constitutional tradition. 'In Britain', wrote S. A. de Smith, 'the independence of the judiciary rests not on formal constitutional guarantees and prohibitions, but on a mixture of statutory and common-law rules, constitutional conventions and parliamentary practice'...

The concept of the "independent" judiciary is a parliamentary practice and a convention. This notion of separation of powers, judicial independence and political non-interference in the adjudicative function is part of the great constitutional life of Canada. Albert Venn Dicey, in his book *Introduction to the Law of the Constitution* defines "conventions" as:

> ...customs, practices, maxims, or precepts which are not enforced or recognized by the Courts...

Conventions are observed in the practice of politics. We must be clear that conventions depend on political process and political players for enforcement, that is, that conventions depend on the actions of Parliament for enforcement.

The question of the relationship between convention and the law are clarified in jurisprudence and case law. In the case of *Madzimbuto v. Lardner-Burke and George*, Lord Reid stated:

> Their Lordships in declaring the Law are not concerned with convention.

In Canada also, the courts held that conventions can never be legally binding, and that they can have no effect on legal powers. In the case of the *Disallowance Reference*, Chief Justice Duff of the Supreme Court of Canada, said:

> We are not concerned with constitutional usage... or constitutional practice...We are concerned with questions of law.

Canada, as a constitutional society based on the rule of law, has developed coordinate constitutional institutions: the Crown, the executive, Parliament, and the courts; four coordinate entities. Effective governance compels comity between the constitutional institutions. On this comity, Edmund Burke, in his book, *Reflections on the French Revolution* has said:

> ...the constituent parts of a state are obliged to hold their public faith with each other...as much as the whole state is bound to keep its faith with separate communities.

In Canada, this faith, this institutional comity, has assured the smooth and continuous functioning of our Constitution. About co-institutional comity, or constitutional comity, Lord Simon, in 1974, in the case of *British Railways Board v. Pickin*, said:

> It is well known that in the past there have been dangerous strains between the law courts and Parliament — dangerous because each institution has its own particular role to play in our constitution, and because collision between the two institutions is likely to impair their power to vouchsafe those constitutional rights for which citizens depend on them. So for many years Parliament and the courts have each been astute to respect the sphere of action and the privileges of the other...

The Parliament of Canada Act, R.S.C. 1985, Section 5, on the law of privilege and the courts, says:

> The privileges, immunities and powers...are part of the general and public law of Canada and it is not necessary to plead them but they shall...be taken notice of judicially.

The law courts in Canada are generally allowed to enquire into the existence and extent of parliamentary privilege. The courts may ascertain the privileges concerned, and may enquire and determine the validity of the privilege claimed. However, they may not enquire into, and may make no adjudication on the exercise of privilege.

The law of privilege tells us, in the words of the Honourable A.G. Cameron, Speaker of the House of Representatives of Australia, that no one can:

> ...waive, cancel, impair, or destroy the privilege...

No court of law can "waive, cancel, impair, or destroy the privilege." The law of Parliament tells us that these laws can only be amended by Parliament. Joseph Maingot in his book *Parliamentary Privilege in Canada* says:

> The privileges of members of the Senate and of the House of Commons of freedom of speech, freedom from arrest, exemption to attend court as a witness, and the right to ignore a jury notice, are matters of law and only Parliament may change the law.

The jurisprudence and case law uphold this fact of unalterability, save by Parliament.

In 1884, the case of *Bradlaugh v. Gossett* declared that the House of Commons is not subject to the control of the courts in the administration of that part of the law which relates to its internal procedure only. The courts have no power to interfere in the jurisdiction of the Houses of Parliament over their own internal processes and proceedings.

A most severe confrontation between Parliament and the courts of law was the case of *Stockdale v. Hansard*. Mr. Hansard, acting on the orders of the House of Commons, had printed a report. From 1836 to 1840, Mr. Stockdale sued Mr. Hansard several times for statements contained in the report. The House of Commons was represented in court by the Attorney General, Sir John Campbell.

The Commons made orders and resolutions; the court denied them. The court, in Lord Denham, denied Mr. Hansard's defence of privilege of Parliament and found for Mr. Stockdale against Hansard. The House reprimanded Stockdale's lawyer, found Mr. Stockdale in contempt of Parliament, and committed him to prison. In prison, Mr. Stockdale started a fourth lawsuit. The Commons committed Mr. Stockdale's lawyers as they had committed the sheriffs.

• (1540)

Prison did not inhibit Mr. Stockdale and his lawyer, nor put an end to the persistent lawsuits. Parliament settled the dispute. They ended it. Parliament ordered Mr. Hansard to offer no more defence and then passed a law. This statute, the Parliamentary Papers Act, 1840, extends privilege to the staff who, as we see here in this chamber, produce our papers, which we call Hansard.

*Stockdale v. Hansard* established that the House has exclusive jurisdiction where the dignity and efficiency of the House cannot be upheld without it, saying:

> ...whatever is done within the walls of either assembly must pass without question in any other place.

About *Stockdale v. Hansard*, Sir Erskine May said:

> The judges admitted that, when a matter is a proceeding of the House, beginning and terminating within its own walls, it is obviously outside the jurisdiction of the courts..

This case speaks eloquently on the relationship between Parliament and the courts of law. The Right Honourable Bora Laskin, former Chief Justice of the Supreme Court, spoke insightfully when he said:

> The probable end of the matter would be an assertion of the respective independence of courts and legislatures...when respectively called upon to exercise their functions. Law at this point dissolves into politics.

Most recently, here in Canada, Parliament's privilege of control over its internal processes has been upheld in two cases, being the *New Brunswick Broadcasting Co. v. Arthur Donohoe*, and *Southam Inc. v. The Senate of Canada*.

In 1993, in the *Donohoe* case, Arthur Donohoe, Speaker of the Nova Scotia Legislative Assembly, was sued by the New Brunswick Broadcasting Co. In the appeal from the Nova Scotia Supreme Court, Appeal Division, the Supreme Court of Canada Justices La Forest, L'Heureux-Dubé, Gonthier, McLachlin and Iacobucci, with Justice Cory dissenting, held that:

> The Charter does not apply to the members of the Nova Scotia House of Assembly when they exercise their inherent privileges, since the inherent privileges of a legislative body such as the Nova Scotia House of Assembly enjoy constitutional status.

In 1990, in the *Southam* case, in the Federal Court, Appeal Division, Chief Justice Iacobucci, Justices Stone and Décary, overturned the Trial Division ruling by Justice Strayer. They said that the Federal Court had no jurisdiction to entertain an action by a newspaper publisher seeking access to Senate committee *in camera* meetings. They also overturned the trial judge's grant of leave to Southam Inc. to sue the members of the Senate committee individually.

Chief Justice Iacobucci of the Federal Court, Appeal Division, stated in overturning:

> Nor could it be accepted that in enacting the *Federal Court Act*, Parliament intended to assign to the Federal Court a supervisory judicial review jurisdiction over the Senate, the House of Commons or their committees.

He also stated:

> That approach is appropriate herein because the review of parliamentary proceedings is not a matter to be taken lightly given the history of curial deference to Parliament and respect for the legislative branch of government generally...

Honourable senators should know that these statements on Parliament were the conclusions of the highest courts of Canada. However, three lower courts, being the Federal Court, Trial Division, the Nova Scotia Supreme Court, Trial Division, and the Nova Scotia Supreme Court, Appeal Division, found differently. Justice Strayer of the Federal Court, Trial Division, and Justice Nathanson of the Nova Scotia Supreme Court, Trial Division, both found against parliamentary privilege. Their findings deserve study. The justices even articulated a novel view:

> ...our Constitution in this respect is no longer 'similar in principle to that of the United Kingdom'.

These two cases involved discussion of the written versus the unwritten Constitution of Canada. The discussion even questioned the very definition of the term "the Constitution of Canada," as per sections 52(1) and 52(2) of the Charter of Rights and Freedoms.

Professor Hogg is quoted on this matter as follows:

> ...Canada's gradual evolution from colony to nation has denied it any single comprehensive constitutional document.

Honourable senators should be mindful that most of the *lex parliamenti* and the law of privilege is recorded in the rolls and debates of Parliament and is not recorded in the written constitution.

Regarding the similarity in principle of Canada's Constitution to that of the United Kingdom, and the written versus the unwritten, Madame Justice McLachlin, in the *Donohoe* case, writing for the majority in overruling the Nova Scotia Supreme Court, Appeal and Trial Divisions, stated:

> The Parliamentary privilege of the British Parliament at Westminster sprang originally from the authority of Parliament as a court. Over the centuries, Parliament won for itself the right to control its own affairs, independent of the Crown and of the courts. The courts could determine whether a parliamentary privilege existed, but once they determined that it did, the courts had no power to regulate the exercise of that power. One of those privileges, held absolutely and deemed to be constitutional, was the power to exclude strangers from the proceedings of the House.

**The Hon. the Speaker:** Honourable senators, I am sorry to interrupt but the honourable senator's time is up. Is leave granted to allow her to complete her comments?

**Hon. Senators:** Agreed.

**Senator Cools:** Honourable senators, moving now to the relationship between Parliament and the courts regarding Parliament's first privilege, its right to the attendance of its members and the concomitant right of members to attend, the United Kingdom's House of Commons Select Committee, in 1967 and again in 1977, comprehensively examined, concluded, and reported on parliamentary privilege that:

> ...they are conscious that the requirements of both civil and criminal process may on occasions conflict with the duty of attendance owed by a Member to the House. They are strongly of the opinion that the courts, whether civil or criminal, should give appropriate weight, when exercising their discretion over such matters as the fixing of dates...to the importance of the Parliamentary function of a Member who may be involved.

Further it is stated:

> They believe, however, that the ultimate power to decide between the claim of the House and the claim of the court must remain with the House.

On the question of the relationship between Parliament and the courts of law, the finest articulation that I have heard has come from Professor Dr. Edward McWhinney, a most learned scholar:

> The essence of the constitutional system is harmony and balance between the main organs of government: Courts, Parliament and Cabinet. The relations between these institutions rest on the principle of comity, that is to say, mutual respect and deference. A consequence of this is the principle of economy in the use of power, and avoidance of escalation to direct institutional confrontation, where alternative, more moderate controls are available.
>
> Parliament's privileges are inherent rights, historically antecedent to and not dependent upon the Constitution Act of 1867. From the English constitutional battles of the early seventeenth century on, it has been axiomatic that the courts are constitutionally obligated to respect and defer to parliamentary privilege. Parliament, as an institution, is not subject to the courts. Members of Parliament, in their personal capacity, are subject to the general law, like anyone else. But the Courts, in applying the law to Members, are obligated to respect Parliament to the extent that, for example, where the normal civil processes as to service of papers or requesting appearance before the courts are readily available, they must be used and exhausted by the courts.

In conclusion, the relationship between Parliament and the courts of law may be simply put: It is the relationship between politics and law, and the discernment to know the difference. Such discernment allows us to know where one ends and the other begins. It is the understanding of personal limitations as well as institutional limitations. The success of the Canadian Constitution and the Canadian civil society to date have been dependent on the fact that both have been worked by gentlemen and ladies of honour, governed by courtesy, by rules, and the discernment to know the difference between law and politics.

On motion of Senator Carstairs, debate adjourned.

The Senate adjourned to Wednesday, December 7, 1994, at 1:30 p.m.

# THE SENATE

**Wednesday, December 7, 1994**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

## ROUTINE PROCEEDINGS

### POWERS OF PARLIAMENTARY COMMITTEES

NOTICE OF MOTION TO REFER PAPER TO STANDING SENATE COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS

**Hon. Finlay MacDonald:** Honourable senators, I give notice that on Tuesday, December 13, 1994, I will move:

> That a paper dealing with the powers of parliamentary committees, prepared by Diane Davidson, General Legal Counsel to the House of Commons, dated November 16, 1994 and tabled with the Standing Joint Committee for the Scrutiny of Regulations on November 17, 1994, be referred to the Standing Senate Committee on Legal and Constitutional Affairs for consideration and report.

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## QUESTION PERIOD

### ANSWERS TO ORDER PAPER QUESTIONS TABLED

UNVEILING OF CANADIAN WAR MEMORIAL AT GREEN PARK, LONDON, ENGLAND—GUEST LIST

**Hon. William M. Petten (Acting Deputy Leader of the Government)** tabled the answer to Question No. 56 on the Order Paper—by Senator Berntson.

CANADIAN BROADCASTING CORPORATION—ANNUAL REPORT 1993/94—PRODUCTION COSTS

**Hon. William M. Petten (Acting Deputy Leader of the Government)** tabled the answer to Question No. 62 on the Order Paper—by Senator Tkachuk.

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## ORDERS OF THE DAY

### WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION BILL

SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Austin, P.C., seconded by the Honourable Senator Stanbury, for the second reading of Bill C-57, to implement the Agreement establishing the World Trade Organization.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I want to commend Senator Austin for a very clear, succinct and convincing argumentation in favour of Bill C-57, a most complex piece of legislation which will leave few Canadians untouched in the years to come.

Senator Austin's presentation was particularly impressive not only for its content but even more for its authorship, coming as it did from a leading member of the Liberal Party whose adamant opposition in 1988 to free trade, and to a free trade agreement with the United States, forced a general election on the issue, and who, during the 1993 election campaign, repeatedly criticized the NAFTA to the point of threatening to scrap it once elected.

Yesterday, on behalf of the Liberal Party, Senator Austin described the NAFTA as, and I quote his words, "a role model for extending serious obligations in the trade field to developing countries around the world..."

The Prime Minister has been travelling the globe, extolling the virtues of free trade, first at last month's meeting of the Asia-Pacific Economic Cooperation summit and, more recently, in Paris.

What has led to this extraordinary, but no less welcome, about-face by the Liberal Party, only our friends opposite can explain. Suffice it to say that at last an issue which yesterday divided this house for far too long is today allowing it to work and discuss on the same side for the benefit of all Canadians tomorrow.

I want to join with Senator Austin in expressing appreciation to our two colleagues Senators Kelleher and Carney, and to Michael Wilson, all of who, as international trade ministers, can take much of the credit for the legislation before us.

**Some Hon. Senators:** Hear, hear!

**Senator Lynch-Staunton:** Honourable senators, Senator Austin has urged that the vote on Bill C-57 be taken in time for it to come into force by January 1, 1995, so that Canada can become a charter member of the World Trade Organization. It should be pointed out that this date is nothing more than symbolic. In effect, the bill provides, in clause 221(1), that it:

> ...shall come into force on a day or days to be fixed by order of the Governor in Council.

Therefore, as there is no statutory deadline for passage, this bill can and must be given a study which should not be limited simply in order for Canada to be first past the gate.

Senator Austin extolled the virtues of the World Trade Organization for Canada, but he will be the first to agree that not all in the bill is advantageous to this country. For it is only normal that we have had to give up something for the gains which he has outlined. I doubt that Canadians have much familiarity with the trade-offs to which our negotiators agreed, no matter how justified.

One need only read the major legislation which is being amended by Bill C-57 to appreciate what this bill involves. The following pieces of legislation are being amended by Bill C-57: the Bank Act, the Canadian International Trade Tribunal Act, the Canadian Wheat Board Act, the Cooperative Credit Associations Act, the Copyright Act, the Customs Act, the Customs Tariff, the Export and Import Permits Act, the Fertilizers Act, the Financial Administration Act, the Food and Drugs Act, the Industrial Design Act, the Insurance Companies Act, the Integrated Circuit Topography Act, the Investment Canada Act, the Investment Companies Act, the Meat Import Act, the Patent Act, the Pest Control Products Act, the Special Import Measures Act, the Trade-Marks Act, the Trust and Loan Companies Act and the Western Grain Transportation Act.

This is an impressive list. Amending only one of these bills would normally take days, if not weeks, of debate and committee hearings, for the amendments are not insignificant. Take the Bank Act, for instance. In the clause-by-clause guide to Bill C-57 prepared by the Department of Foreign Affairs and International Trade, the amendments are summarized as follows, and I quote:

• (1340)

> These amendments implement national treatment and most-favoured-nation treatment by doing three things: the removal of the 10/25 ownership constraints on non-residents; the removal of the rules that restrict foreign bank subsidiaries from occupying more than 12 per cent of the domestic market; and consequential amendments which remove ancillary rules designed to prevent avoidance of the previously mentioned rules. There are also consequential amendments to other provisions that are needed because of the deletion of these rules.

Does this mean that Canadian banks are now vulnerable to foreign control or, at least, significant foreign ownership, something that has been denied for decades?

Honourable senators, these and other questions about the future of significant sectors of our economy deserve answers before Bill C-57 is passed. Canadians must be informed of any negative consequences that this bill contains, whatever its positive aspects, so they can prepare themselves accordingly. One way of dealing with these questions in a more expeditious manner is to ask each standing Senate committee to examine those parts of the bill which come within their particular purview. This would have been done in any case had each act been subject to amendment separately. As it is, we have the equivalent of an omnibus bill which is designated to go to the Standing Senate Committee on Foreign Affairs. I am sure that that committee would welcome the participation of other Senate committees in the arduous task facing it.

I am not making any formal proposals along those lines because I know that we will probably bog down in procedural discussion, but I do hope that when the Standing Senate Committee on Foreign Affairs receives this bill, it will rely on the expertise available from other committees and from all senators to make sure that, before this bill is passed, we are not only contented with the many advantages Canada will gain from the bill, but also alerted to the many disadvantages and disruptions in our economy which will also result.

**Hon. Mira Spivak:** I have a short intervention, honourable senators, which refers to the comment made by my honourable leader about disadvantages and disruptions.

I want to draw the attention of honourable senators to the matter which concerns Canada's sugar beet growers, sugar refiners and large-scale, commercial users of refined sugar with respect to this legislation, including the 300 sugar beet producers of Manitoba and the 170 workers of the Manitoba Sugar Company.

On January 1, the livelihoods of many of them will be placed in jeopardy as a result of the tariff schedules the U.S. proposes under the General Agreement on Tariffs and Trade now before us. An industry that has suffered losses that have grown to an estimated $170 million annually since 1982, through progressively restrictive trade measures imposed by the United States, will be struck another severe blow. The Canadian Sugar Institute predicts losses of a further $135 million annually as a result of new measures under the GATT and the existing NAFTA agreement. The jobs of more than 900 Canadian food processing workers could be eliminated; an additional 280 refinery workers could face unemployment. All this will begin to happen very shortly unless the International Trade Minister can persuade the U.S. trade representative to postpone implementation of the tariff schedule and return to the negotiating table.

Many Canadians are under the illusion that the North American Free Trade Agreement and the Uruguay Round of GATT are entirely liberalizing agreements that will open up borders. In the case of the sugar and the sugar-containing products industries, however, the U.S. tariff schedule will create what is tantamount to a one-way border. U.S.-made products will have easy access into Canada; Canadian-made products will face a wall of restrictions.

On refined sugar, for example, the U.S. will limit imports from all countries to 22,000 metric tonnes — roughly 60 per cent of the amount Canada alone sold to that market in fiscal 1992-93. Canada will face competition from Brazil and other producing countries. Under the most optimistic assumption that Canada will gain access to the full amount, Canadian refineries will suffer a net loss of $10 million. More important, the domestic market to Canadian producers of crystal drink mixes, sugar and cocoa products and other sugar-containing products will shrink as new GATT restrictions on those products come into force on January 1. As Canadian food processors face new restrictions to U.S. markets, they are reconsidering their investments in Canada.

Honourable senators, while Canadian exports of sugar to the U.S. did reach a high point of 80,000 tonnes in recent years and roused the ire of U.S. refiners and food processors, it is also true that U.S. imports of refined sugar into Canada grew from less than 1 per cent to 13 per cent of the Canadian market. Rather than maintain or increase this two-way border flow, the U.S. government has been persuaded to erect barriers. In a letter to a leading American sugar executive, the U.S. trade representative offered the assurances that the new tariff-rate quotas will "sharply reduce U.S. imports of sugar and sugar-containing products."

The measures, if implemented, will have a profound effect on communities in Eastern Canada that rely on food processing jobs for employment. In Manitoba, where roughly 50 per cent of the beet sugar produced by the Manitoba Sugar Co. has traditionally gone south, the impact could be devastating to factory workers. While restrictions on imports of beet sugar are not slated to come into effect until October 1, unless an early agreement to alter the quotas is reached the parent company, B.C. Sugar, will be unable to offer contracts to growers with any assurance that its product can be sold in the U.S. As the smallest of six refineries, the Manitoba plant is the most vulnerable. Perhaps not surprisingly, the same month the U.S. trade representative offered his assurance to the U.S. industry, the North Dakota-based American Crystal Sugar Co. invited Manitoba growers to ship their beets south of the border and appointed a sales manager to market American Crystal's product to Manitoba consumers.

Honourable senators, the situation that is looming is akin to the struggle that western producers of durum wheat experienced earlier this year. It is also national in scope. Early this week, representatives of seven national organizations — Canadian sugar beet producers, grocery products manufacturers, confectionary manufacturers, a labour union, users of industrial sweeteners, the tea association and the sugar institute — laid out a seven-point plan for the government. The first step is for Canada's International Trade Minister to raise the matter personally with the U.S. trade representative and win an agreement to postpone the implementation of the tariff schedule.

Honourable senators, in giving our support to the GATT agreement, we must have the assurance of the government that it will not be idle and allow the U.S. to impose restrictions that are contrary to the spirit of free trade. I hope the Minister of International Trade and the Minister of Agriculture will respond forcefully and urgently to protect the livelihoods of Canadian workers from these and any similar unfair and unbalanced trade restrictions.

**Hon. H.A. Olson:** Honourable senators, I want to make a few comments following on those of Senator Spivak. I agree that there are severe problems that individual sectors of our economy must accommodate in passing Bill C-57 and, indeed, in complying with the terms and conditions of the so-called GATT agreement.

I can tell honourable senators about several problems we face with respect to agriculture. Amendments to the Canadian Wheat Board Act will change the way we do business in the international market. The bill provides for many amendments but perhaps the most significant are those that will dismantle the marketing structures we have worked up in the agriculture sector — for example, all the supply-managed programs under Article XI of the GATT that we tried for years to have improved in favour of the Canadian way of marketing.

• (1350)

I have an interest in this business. I have spent thousands of hours designing and going through the enabling legislation that was passed by the federal government so that the provinces could delegate their authority to impose quotas, and that sort of thing. It is not important that I have spent all those thousands of hours. Senator Murray has also spent that much time, because he was one of those who were criticizing everything I was trying to do.

**Senator Doody:** Our leader was defending the sugar beet farmers.

**Senator Olson:** I want to be serious. We will have to restructure all of the supply-managed programs, and dairy is one of those programs. Under this agreement we have given access to a share of our market to the United States and other countries. If those countries exercise that access in a certain way, that can be extremely disruptive. For example, I am not sure of the exact numbers they are guaranteed, but I think it is approximately five per cent. If they apply that 5 per cent in a small region of Canada, it will hurt the people of that region a great deal. That is not all, however. In addition, they must also take apart the supply-management system and the administration of the quotas.

We can also talk about eggs. When we brought in the supply-management legislation, eggs were 8 cents a dozen. That is how much the producers received. They were cutting each other up from one end of the country to the other. The same is true with respect to poultry, especially broilers. When we brought in the legislation, it did not suddenly become better, but we put in place a basis and a structure for marketing under what is called a supply-managed system.

I stayed up all night at committee meetings more than once, because the Conservative Party had the philosophy that they could not stand farmers having a little control in their marketplace. If you want to go back over the record, it is all in there. I know we once sat in a committee until 7:30 in the morning because of the filibuster that was going on.

Therefore it is not easy for the agriculture sector to give their approval and try to support this agreement. We know that when the previous government was in office, they were negotiating this agreement in Geneva, day after day. I asked Senator Murray, "How are you doing?" I asked him that several times, especially with respect to Article XI. He will remember that. He said, "We haven't got it all yet, but we are trying hard."

I believed him, but I also went to Geneva where all these negotiations were going on, to find out for myself. I also went to Rome, to the FAO, and to several other places. I know a few people over there from the days when I was in the government. I cannot thrash this old straw now, but after I had been there a couple of days, it was completely clear to me that we were not — and I underline the word "not" — about to get a strengthening of Article XI. I am not totally blaming our government, because it seems to me there were only about four out of a hundred-odd countries that had an interest and were willing to support us in strengthening the terms and conditions of Article XI.

**Senator Murray:** One by one, they dropped off.

**Senator Olson:** Yes, that is what I am saying. I know they did. But I want to tell you why it is important. I do not believe that the way in which we managed our agricultural marketing system under both governments, in terms of eggs, poultry, and milk, was doing any damage to anyone else. We kept it inside Canada. Whenever we had some surplus products to sell, we had to go out into the international market to sell them. One such example is skim milk powder. We had to compete with France and with several other countries that were selling that product. However, our supply system did not damage any other country's marketing system in agricultural products.

We have now come to the place where our party is supporting this agreement. We know you are also supporting it, Senator Lynch-Staunton, because you just said so. You also referred back to all the months that your party was in office and trying to work out the basis for the agreement, and I understand that. In my opinion you were not quite as good negotiators as we would have been. If we had been there, we might have ended up with a little better deal.

**Senator Lynch-Staunton:** You signed the agreement; but we were negotiating it when we left office.

**Senator Olson:** That is no great criticism or victory. You told us then that this was the best deal we could get. I remember Senator Murray saying that. "It is the best deal we could get."

Senator Spivak was defending the interests of the people in her province who are in the sugar industry. That is a perfectly good and proper thing to do. However, I rose to my feet to let you know that they are not the only ones. There are all kinds of other people in Canada who will lose something of value to them through this agreement. I hope their loss will be in the context that it is for the general good of Canada. I am not quite sure how some of the egg producers will get something good out of it, but they will accept it and do the best they can under the circumstances.

I would like honourable senators to know that when agriculture comes asking for something — not that we do it often — we are generally giving up an enormous amount in return.

**Hon. Lowell Murray:** Honourable senators, I should like to ask my friend Senator Olson a question. First, let me say that I appreciate the concerns he has expressed. I note that those concerns are focussed on one part of one sector, namely the agricultural sector. Does Senator Olson not believe that there are gains made in other parts of the agricultural sector, and therefore by the agricultural sector as a whole, from the agreement?

Second, I want to ask him to answer the question that I think all of us have to answer on this matter, and that is: Even allowing for the adjustments, and in some cases the severe adjustments, that will have to be made, does he believe, on balance, that this agreement is good for Canada?

**Senator Olson:** That is easy to answer, honourable senators. My party and I — because I discuss these things with my party — believe that, on balance, this agreement is probably good for Canada. The jury is still out, however, in case the honourable senator wants to know. But we are willing to take a chance. We will try.

In reply to the other part of the honourable senator's question on whether other sectors in agriculture will have a gain: I cannot think of one, but there might be.

I will mention one area where there might be an improvement, and that is in the international grain market. You are aware, of course, of the enhanced exports subsidies employed by both the United States and Europe. Those subsidies have hurt us very badly. I will give you credit: Your government was in office when those Export Enhancement Program, or EEP, payments were brought in, destroying the international market for grain. At that time you did put some money in from the federal treasury to help our farmers over that difficult period. I give you full credit for that. Incidentally, we did the same when we were in the same position. I cannot think of a sector of agriculture that will gain much from this measure.

• (1400)

I have learned from long experience that if it is in the political interest of the United States, be it in North Dakota, Montana, Minnesota or any other part of the country, to make some adjustment, they do it and argue about it afterward. We had a situation like that this summer. Certain agreements were reached, not only under the GATT, but under the FTA with regard to durum wheat. They threatened to stop us. In fact, they gave us formal notice. We were not to ship any more durum wheat except within their quotas. That imposition was not by agreement; they just did it. I know why. Some senators from North Dakota and Montana and members of the House of Representatives insisted that that be done. There is nothing unusual about it. They do it all the time. I have experienced that kind of problem before.

Some honourable senators may know of someone in agriculture who will gain as a result of the passage of these new rules under the GATT. I cannot think of anyone.

**Hon. Gerry St. Germain:** Honourable senators, I have a question for Senator Olson. It relates to whether he is prepared to make a further commitment to the concerns Senator Spivak has expressed.

It is true that many sectors will lose a bit. However, there is an overall gain. It is a great piece of legislation because it came from our side. As the honourable senator has pointed out, we helped the grain growers, and never did we tell the grain growers how to sell their wheat, as had transpired in the past.

B.C. sugar will be dramatically affected by this particular action. Can Senator Olson tell me whether he and his colleagues on that side of the house are prepared to make certain that the Minister for International Trade and the Minister of Agriculture take up these causes with the Mickey Kantors of this world to make certain that we receive a fair deal? The honourable senator is in a position to greatly influence the ministers.

**Senator Olson:** Honourable senators, I was not speaking for the government. We have a Leader of the Government in the Senate who can find the answers to the honourable senator's question. I am not sure how she would want to answer that kind of question.

The honourable senator can be sure of one thing: This government will do all things reasonable to protect Canadian interests. That has been, and still is, the practice of the Liberal Party. I would bet that they will do something. Nor do I know how much they will brag about it, as the honourable senator has just done with regard to the good agreement that has brought on all this trouble.

In any event, I am sure that what the honourable senator has said was an off-the-cuff remark. The Minister of International Trade, Roy MacLaren, and the Minister of Agriculture, Mr. Goodale, were in Washington when we had a dispute last July regarding shipping high quantities of wheat. I was there as well.

The honourable senator may rest assured that something will be done, although I am not in a position to give a commitment for or on behalf of the government.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I can. I am sorry I missed Senator Spivak's speech. I can assure you, particularly with regard to the issue of sugar, that the Canadian government, through the Minister of International Trade in particular, has had, and will continue to have, repeated contact with his American counterparts on that question. Indeed, I spoke to both ministers this morning to urge them on to greater heights.

**Hon. Leonard J. Gustafson:** Honourable senators, I speak as a farmer. The honourable senator said that there has been no gains. I am more optimistic. We must recognize the reality of a global economy. I am not suggesting that there will not be any problems with the new arrangement encompassed by this bill. Basically, this measure will reduce subsidies around the world. Granted, the process will take some time. If I can speak for farmers at all, and I have spent my life doing so, I say that we can compete with anyone in the world if we are on a level playing field. I believe that this bill, in its entirety, accomplishes that.

I was close to the Right Honourable Prime Minister Mulroney when he forged ahead with this bill. I am as pleased as I can be to hear that the Liberals have finally come around to the fact that we must live in the real world and recognize that there is a global economy out there that will pay big benefits to Canadian producers.

Agriculture today is responsible for over 40 per cent of the balance of payments in this country. It is an important part of our economy. This bill will be good, not only for farmers, but for all of Canada.

**Senator Olson:** I do not think you understood the question.

**Hon. Jack Austin:** Honourable senators —

**The Hon. the Speaker:** Honourable senators, I wish to inform the Senate that if the Honourable Senator Austin speaks now, his speech will have the effect of closing the debate on the motion for second reading on this bill.

**Senator Austin:** Honourable senators, I am sure my remarks will be a relief to many in this chamber.

First, I should like to say that I appreciate the remarks of the Leader of the Opposition on many of the items that he has raised.

With respect to the question of free trade, I have always believed that the party to which I belong has historically espoused free trade and continues to do so. I am delighted that the Conservative Party has come to free trade in the past decade.

However, in explanation of the Conservative Party policy, I want to say that, in earlier times in Canadian history, the grand old national policy probably served well the development of Canada in general, although it did not serve the development of Western Canada as well as it might have.

However, the point is that all sides of this house concur in multilateral processes to develop greater access to trade. We all know that Canada is trade vulnerable. Both the previous government and this government are on a common path in terms of this legislation.

With respect to the free trade debate of 1988, there were obvious differences in the quality of the "free trade agreement." I was unhappy that the negotiators did not achieve the targets set by Prime Minister Mulroney when he announced the negotiations. However, that is in the past. We concur today, and I am glad that we do.

With respect to the suggestion that the bill be sent to a number of committees, I appreciate that the Leader of the Opposition in the Senate is not pressing that suggestion. The best way to deal with the questions that need to be dealt with in committee is in the Foreign Affairs Committee, which is already seized in general of the topic of multilateral free trade, has developed an expertise, and can move quickly to deal with more specific questions.

With respect to Senator Spivak's comments, I am glad that my leader has responded. I acknowledge that this is not a "made in heaven" agreement; this is a tough bargain. It has taken years and years to cut. As Senator Olson said, on balance, it is in the Canadian interest.

I acknowledged the role of the Honourable Michael Wilson when I spoke yesterday. I understand very well the contribution that he made. I was perhaps a little less fair to my own side in not acknowledging the role played by the Honourable Roy MacLaren and the officials under his responsibility, under the leadership of Peter Sutherland, who became the GATT leader and whose talents had a lot to do with the final act.

Having said that, honourable senators, I move that the bill be referred to the Standing Senate Committee on Foreign Affairs.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Austin, bill referred to the Standing Senate Committee on Foreign Affairs.

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# ROUTINE PROCEEDINGS

## BUSINESS OF THE SENATE

**Hon. William M. Petten (Acting Deputy Leader of the Government):** Honourable senators, following discussions with my friends across the way, when we adjourn tomorrow we will adjourn until two o'clock on Monday afternoon.

Next week we will sit from Monday to Friday, and when we arrive on Monday, we will have a supply bill before us. Bill C-57 has just been referred to committee. That will keep us busy.

Next week we will probably receive Bill C-46, to establish the Department of Industry, and Bill C-352, to establish the Department of Public Works and Government Services, and possibly Bill C-53, to establish the Department of Heritage.

All honourable senators know how this business works. We may have more bills. In any event, the committees will all meet next week. I will discuss with my leader and my colleagues across the way whether we should have one full day of committee meetings next week. I am making this announcement now in order to give everyone an opportunity to make their travel arrangements.

**Hon. Joan Neiman:** Honourable senators, in view of that information, perhaps we could have leave for the Euthanasia Committee to sit on Monday afternoon at 3:30, in order to hear witnesses? We have had these witnesses scheduled for over a month now, in the apparently foolish expectation that the Senate would not be sitting, or at least not in the afternoon. One of the witnesses is the Minister of Health, and Monday is probably the only time we can hear her.

I would very much appreciate leave for our committee to sit at 3:30 p.m. on Monday.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Senator Petten:** Honourable senators, I do not object to what Senator Neiman has suggested, but perhaps we should postpone a decision until this afternoon, at which time we will know which committees will meet. We can then find out which day would be best for most of the committees to meet.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** I agree with that.

**Hon. Lowell Murray:** Honourable senators, may I ask what, if anything, the honourable senator sees beyond next Friday by way of business for the Senate?

**The Hon. the Speaker:** Honourable senators, before we proceed, is it agreed that we will defer Senator Neiman's motion to later this day?

**Some Hon. Senators:** Agreed.

**Senator Petten:** Senator Murray, would you repeat your question, please?

**Senator Murray:** I am asking what, if anything the government sees beyond next week by way of business for the Senate?

**Senator Petten:** As a former leader of both government and opposition, I think you know how this place operates at this time of the year. Several bills that are now in the other place may come forward to us at any time. There are also several at the third reading stage, and two or three others which could be here next week, and we must be here to deal with them.

**Senator Murray:** Is the honourable senator suggesting that the Senate may sit during the week of December 19?

**Senator Petten:** That surely is a possibility, honourable senators.

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# ORDERS OF THE DAY

## THE ESTIMATES, 1994-95

SUPPLEMENTARY ESTIMATES (B) AND (C)—
REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the tenth report of the Standing Senate Committee on National Finance on the Supplementary Estimates (B) and (C) for the fiscal year ending March 31, 1995, presented in the Senate on December 6, 1994.

**Hon. C. William Doody** moved the adoption of the report.

He said: Honourable senators, I want to say just a few words of explanation on the Supplementary Estimates (B) and (C), which are the second and third Supplementary Estimates for the 1994-95 fiscal year.

The total of both sets of Estimates is approximately $2 billion. The committee's report contains precise numbers for the various components of expenditure, usually to three decimal points, which honourable senators can read but might find tedious to listen to.

Budgetary expenditures in Supplementary Estimates (B) and (C) total $1,768,000 and increase total budgetary estimates to $162.9 billion. The expenditure framework announced in the February 1994 budget and discussed in Part I of the Main Estimates consists of the projected budgetary estimates for 1994-95 and amounts to $163.6 billion. In other words, if the present Supplementary Estimates are approved, $700 million will remain in the framework for additional spending for the remainder of the current fiscal year.

The Standing Senate Committee on National Finance generally observed that lapses in year-end adjustments reduce total budgetary expenditures on balance, often quite substantially. However, honourable senators will have noticed that the expenditures in these Estimates consist of several large positive and negative amounts in the statutory component. In particular, a reduction of $3.4 billion is reported in the Consolidated Specified Purposes Accounts and appears nowhere else in the Supplementary Estimates (B) document.

From the Treasury Board's news release we find that this represents a decrease in benefit payments from the Unemployment Insurance Account. This decrease, in turn, is the result of several factors: more stringent eligibility requirements, in particular an increase in the number of weeks' work required to receive UI benefits; reduction in the benefit rate and a drop in the number of UI claimants caused by improved economic growth and job creation.

I suspect that another contributing factor is the large number of unemployed who have exhausted their benefits and are now presumably on social assistance, or whatever other source of income they have managed to find.

Unfortunately, this substantial saving is offset by an additional requirement of $3.3 billion for interest charges on the public debt resulting from interest rates that have risen beyond the levels forecast by the Minister of Finance in his February 1994 budget. The Department of Finance does not anticipate further substantial increases in statutory interest rate payments during the balance of the fiscal year.

However, if such increases did materialize, and if they were not offset by further reductions in UI payments or other major expenditure cuts, the government would be hard pressed to remain within its expenditure framework, and would almost certainly have to resort to significant, unplanned additional cuts and discretionary expenditures or find additional sources of revenue. We all know, of course, that the forecasting of interest rates in this country is a very uncertain science.

Honourable senators will recall that the so-called Established Programs Financing transfers to the provinces in respect of health care and post-secondary education were frozen on a per capita basis by the previous government. These transfers are made up of cash and tax components. Supplementary Estimates (B) reports increases of $602 million for health care and $210 million for post-secondary education, which appear in the Estimates of the Departments of Health and Human Resources Development respectively.

The increases are due to larger than forecast population increases in several provinces, and to a shortfall in the value of the tax points. The latter occurred despite the increase in economic growth and must be made up by higher federal cash payments to the affected provincial governments.

The Estimates of the Department of Finance include a very substantial appropriation of $527 million to reduce the debt obligations of certain heavily indebted countries. As the report explains, the debts are owed principally by Egypt and Poland to the Canadian Wheat Board and to the Export Development Corporation. The debt relief is part of a package agreed to by an informal grouping of governments known as the Club of Paris. An official of the Department of Finance informed your committee that the $527 million was only an instalment, and that further amounts would be requested to reduce the debts of Egypt and Poland in the 1995-96 fiscal year.

As well, nearly $102 million has been requested by the Department of Foreign Affairs and International Trade for technical and humanitarian assistance to countries of Central and Eastern Europe and the former Soviet Union.

I might say that the Supplementary Estimates (C) consist of only one vote, a $1 vote, the purpose of which is to extend the government's guarantee of up to $315 million on mortgages issued by the Mortgage Insurance Company of Canada to a purchaser of these mortgage assets, which requires that Vote 12B of Appropriation Act No. 3, 1990-1991, be repealed.

At its one meeting on the Supplementary Estimates, your committee examined the various proposed appropriations of statutory expenditures with its usual care. Officials of the Treasury Board secretariat will be providing written answers to certain specific questions of committee members at a later date.

**Hon. John Lynch-Staunton (Leader of the Opposition):** May I ask the honourable senator a question? In his report, there is a request for approval of some $1.9 million for Supplementary Estimates for the Senate. The figure of $1,872,000 is recorded in the report for additional operating costs for the Senate, so states the report, with a certain amount for committees and a certain amount as a carry-forward.

My attention is drawn by the paragraph which states that:

> Officials —

— I assume they mean Treasury Board officials —

> — pointed out to the committee that, by tradition, the Treasury Board accepts the recommendations of the Internal Economy Committee without change and includes them in the estimates.

Does this mean that the policy is to have Supplementary Estimates of the Senate go directly from the Internal Economy Committee to the government without approval of the full chamber? Perhaps the question should be addressed to the deputy chairman in the absence of the chairman. I do not recall this happening before.

**Senator Doody:** You are absolutely right, senator. It is not a National Finance Committee responsibility. However, my experience has been that all budgetary proposals from the Standing Committee on Internal Economy, Budgets and Administration are approved in this chamber before they go anywhere. That has been the custom during my 10 or 11 years on that committee.

**Senator Lynch-Staunton:** Is the Chairman of the National Finance Committee confirming that these estimates did not come to this chamber but went directly to the government?

**Senator Doody:** I would not presume to say that here.

**Senator Lynch-Staunton:** I do not recall seeing them. I am wondering if anyone can answer that question. Why were these Estimates not brought before the chamber prior to being presented to the government for their scrutiny, and then returned to us for ratification with all the additional Supplementary Estimates?

**Hon. Consiglio Di Nino:** Honourable senators, I will try to help the situation. I do not have all the information, honourable senators. However, if I remember correctly, certainly a large component of the Supplementary Estimates were for the special joint committees on defence and foreign policy, as well as for the Special Euthanasia Committee, which budgets were approved by this body, by the Senate.

I am trying to recollect what other component there would be in that particular Supplementary Estimate. Those three were certainly presented in the chamber, and approved by the chamber, with the full knowledge that it would be a supplementary request for funds.

**Senator Lynch-Staunton:** I will not quibble with my honourable friend on that one. However, I certainly ask him to confirm the statement that, by tradition, Treasury Board accepts the recommendations of the Internal Economy Committee without change and includes them in the Estimates. That seems to suggest that the Internal Economy Committee can define the financial requirements of this chamber without the chamber approving them.

**Senator Di Nino:** I am obviously not about to become involved in a debate with my leader. However, I do not think that his interpretation is correct. If part of that Supplementary Estimate contains funds that were not approved by this chamber, I believe that would be incorrect as well.

I am not privy to that, and I do not have before me the make-up of that report. Being one of the new kids on the block, perhaps I do not fully understand the process. However, it is my understanding that all appropriations, expenses, budgets and estimates are presented to the whole body of the Senate for approval, and that the Internal Economy Committee takes action on that basis.

**The Hon. the Speaker:** It is moved by the Honourable Senator Doody, seconded by the Honourable Senator Berntson, that this report be adopted now.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

## CANADA'S DEFENCE POLICY

REPORT OF SPECIAL JOINT COMMITTEE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the consideration of the Report of the Special Joint Committee on Canada's Defence Policy entitled "Security in a Changing World," tabled in the Senate on October 31, 1994.—(*Honourable Senator Forrestall*).

**The Hon. the Speaker:** Honourable senators, this motion is adjourned in the name of Senator Forrestall. However, Senator Grafstein wishes to speak to the matter. Is it agreed that Senator Grafstein may speak now, and that the order remain in the name of Senator Forrestall?

**Hon. Senators:** Agreed.

**Hon. Jerahmiel S. Grafstein:** Come, honourable senators, let us praise the Special Joint Committee on Canada's Defence Policy entitled, "Security in a Changing World," for it has constructed for us a rather visible platform to display and rearrange, if we so choose, our values as a sovereign state.

The committee has been incisive in its proscriptions and clinical in its prescriptions. Yet overarching restraint has created a strange misalliance between means and ends. We must do more for less.

Like all public institutions, the committee felt captive to, seemed caught in, a vice of economic constraint. Like Cassandra, the committee warned that the minimum levels of defence preparedness have now been reached.

Let us be blunt. With the onslaught of the present and anticipated cuts in defence, Canada will share a rank amongst the lowest, if not the lowest, of the nations in the developed world. In terms of percentage of budget and percentage of GDP allocated to defence, Canada has marched smartly to the rear.

Do with less, we are told, less defence even though the facts cry for more. What follows from the bottom line of this regime of fiscal restraint? A creative disengagement or worse, a corrosive appeasement. Are these, as Churchill once warned, "the years of the locusts"?

The so-called "peace dividend" has already been long spent. Is there any muscle left on the military bone?

The committee agrees that the future and the nature of the threats to Canada's security are unpredictable. Could Canada be flooded by sudden waves of instability at home while simultaneously compelled to respond to instability abroad?

Risks to our civil society are more complex, more difficult to assay, less malleable to solution, yet threats and risks have not diminished. Rather, they have increased in complexity and quantum.

We are told that the term "defence" is now a misnomer. Rather, contemporary strategists advise us that we should better think in terms of "security."

Then, honourable senators, what is the nature of a sovereign state's "security" in this swift changing and ever unstable world? Against what threats should our Canada stand on guard?

The committee challenges us to probe this singular question. Canada occupies, as we know, the second largest land mass in the world. It is encompassed on three sides by the longest coastline in the world. Many thought, many dreamed that with the end of the Cold War, peace was finally at hand. Surely, many hoped, many believed, world peace and global tranquillity would follow. Some even swore that the millennium was at hand.

Unhappily, as the committee points out, and as other observers tell us, the reverse has happened. Sadly, the human condition has not improved. The so-called "New World Order" offered only a momentary, illusory respite as the Cold War melted. Stability, frozen by the superpowers, has been supplanted by settling "old scores" chased by "new mobs." With the bipolar meltdown, old evils and new have emerged in greater vigour, without any proven or tested modalities of strategic restraint.

• (1430)

The balance of power, once an old and trusted concept in the hands of developed states, of powerful states, is now of limited effectiveness. Instability reigns in practically every region of the world. There are now more than 57 wars, mini-wars, micro wars, raging across the globe, and there are countless more outbursts of violent conduct in practically every urban core on every continent. Violence now touches us all.

What are we to do in a time of fiscal restraint with such global and domestic instability? How do we fulfil our duty to preserve and secure our civil society? Can we evade our public duty and stand by as we witness our withdrawal into smaller and ever smaller circles of security?

What solace, honourable senators, can we garner from the world's thinkers? Eric Hobsbawn, the pre-eminent English political scientist, labels our period "The Age of Extremes" in his soon to be published work. Norman Stone, the Oxford historian, likens our era to the Middle Ages. The nation state is decomposing before our eyes, these thinkers tell us.

You will recall Barbara Tuchman, the brilliant American historian, in her examination of the fourteenth century called *A Distant Mirror*, when she described the hoofprints of four horsemen of St. John's vision that had become seven: endless plague — read AIDS; ceaseless war — we see it and hear it; crippling taxes — every government has the same problem; war lords and brigandage — the gory lawlessness in our streets; corrupt government — bad government; insurrection against authority; and religious schism and furore wherever we look. If we add to that list of seven, ecological disasters and immigration floods, could this not be an accurate picture — not of the Middle Ages, but of the last decade of this century?

Let us draw on another bank of ideas from two astute yet diverse observers for an even sharper focus. Hans Magnus Ezensberger is Germany's leading essayist and journalist. In his recent and insightful book *Civil Wars*, he reminds us, as did the committee, that Europeans had hoped the end of the Cold War would usher in an era of peace. Peace has given us no such security. In reality, the "New World Order" brought forth nothing "new" and certainly not "order." He joins with the committee in his analysis that with the removal of the nuclear balance of terror constructed between the superpowers, there has emerged a more fragmented and more unpredictable world with atomized and decomposing states.

As in the Middle Ages, the modern nation state's central authority is under attack on all fronts by destructive violence and lawless conduct. Furthermore, the speed of any outbreak of perverse conduct, aided and abetted by CNN, has now been matched with an even slower gap, a wider lag in the ability of democracies to respond. Democracies seem to lack the will — and even the ability — to calculate the nature of the threats and pay for the methodology of quick response. Meanwhile, we see a proliferating number of conventional weapons, ballistic and weapons of mass destruction, nuclear, chemical, biological.

Now, as the committee points out, we face the global threat to life and limb by the pervasiveness of land mines. With the emergence of religious and nationalist fundamentalism from within and without fracturing and splitting civil society, the nation states seem immobilized, unable to cope. The Yugoslavia disaster has paralysed the UN, crippled NATO, and immobilized the CSCE — and all this in two short years.

In today's *Financial Times*, delegates at the CSCE in Budapest call recent events in Europe "the most spectacular diplomatic failure" since the end of the Cold War. To make matters worse, I was reminded on our trip last year to the United Nations that senior officials had told us that there are in excess of 50 million land mines scattered around the world, most of which are uncharted.

Ezensberger parallels the thinking of the committee, and traces the accelerating trend to destabilization by the emergence of religious fundamentalist and nationalist organisms within and without states.

I know you will agree that the need for efforts on arms control and verification is a global priority. The committee wisely points out that the emergence of new regional power centres in the Asia-Pacific region dramatically change yet again the "global security equation."

But Ezensberger probes much more deeply, using Europe as his prism. These complex global forces are at work in domestic conflicts as disparate as America's racial uprisings in Los Angeles, and ranging to mindless carnage and ethnic cleansing in Bosnia. They ignite fires of hate and violence from within and from without. Within the borders of old Yugoslavia, the nationalist religious fires burn brightly, and all these fires should convince the Western elites that traditional approaches to conflict resolution have failed. Threats do not work, because the threatened recognize Western disarray in meeting not only global but domestic threats.

Ezensberger argues that we are now confronted with "an autism of violence," an insatiable rush toward self-destruction and collective madness. This condition has spawned what he calls "molecular wars," and he agrees with Hanna Arendt, that great scholar of totalitarianism, that hatred now needs no leaders at all. This call to violence may find its origins in what Freud called the "death drive," the mindless urge to self-destruction, even at the expense of individual survival. This, honourable senators, is hubris. This scorching analysis offers a grim, difficult, dangerous future for our children.

The President of the prestigious Council of Foreign Relations, Leslie Gelb, illuminates the issue of security from a different yet similar vein. In a recent issue of *Foreign Affairs*, he argues that this new savagery is an "all-corrosive danger, the teacup wars filled with countless bodies and horrors, the scourge of ethnic and civil violence." He concurs that the West deeply underestimated the prospects for peace and stability after the end of the Cold War. More cogently, he echoes the argument that we may still be worrying about old problems that haunted us; "Russia, a rampant Germany, while neglecting the new root problems, wars of national debilitation," Gelb writes:

> If we fail to ameliorate and check this scourge, both the victims and the unpunished killers will undo much of what we value, and undermine our efforts to mould a just and stable international order.

What are the risks to Canada, secure as we are, secure as we feel, in the northern half of the American continent? In a globe with collapsing time and space, there are no borders and there are no walls. No ocean can protect us, either here at home or abroad, from these spontaneous, mindless, malicious acts. On line, CNN will never let us escape. Gelb points out that:

> The failure to deal adequately with such strife is to do something about mass murder, and genocide corrodes the essence of democratic society.

Both Ezensberger and Gelb remind us that we must obliterate the illusion that we in the West are secure.

Thus, honourable senators, all experts agree. The committee agrees. What is to be done? What, honourable senators, if we are not prepared?

Several weeks ago, I had an opportunity to discuss this issue at a meeting in Vancouver of the Atlantik Brucke, some of Canada's and Germany's finest military strategists. All had served in senior echelons of defence. I posed this question to them: What if Canada were challenged today on several fronts at the same time? Could Canada, with its existing array of forces, counter the eruptions of two major civil strifes at home while, at the same time, meeting the challenges of one or two significant conflicts if they erupted simultaneously abroad? These domestic challenges could ignite domestic insecurity, and the international challenges would interrupt our domestic tranquillity, both simultaneously weakening Canada's interests, Canada's civil society.

All agreed that Canada could not, and would not, be able to meet these several challenges at the same time with our present defence establishment, let alone the newly proposed, reduced version.

As Canadians, we pride ourselves as being a sovereign state. Yet, the committee is prepared to nestle under the comforting wings of the American security blanket. The new dialectic is "shared security." However, what if America disengages? What if we are in violent disagreement with American nostrums? What if NATO remains divided, as it is today, on strategy? What would become of our sovereignty then?

• (1440)

Our primary strategic architectonic rests today on "shared security," on "multilateralism." But what if this system goes down? What if our expectations fail? What are our fallback "security" arrangements? What are our fallback alternatives?

Meanwhile, as we retreat into ever smaller circles of defence, our treaty responsibilities explode and expand almost without our active concurrence. Under NATO, our primary "shared security" defence mechanism, we are obliged to come to the defence of the boundaries of all NATO members. NATO boundaries are Canada's boundaries.

Meanwhile, notwithstanding Canada's limited contributions to NATO, we are left out of the Contact Group now dealing with Bosnia. The Contact Group is composed of America, Britain, Germany and France. Despite our contingent on the ground, while America and Germany have no troops on the ground, Canada is left out! Are we left out because we have reduced further our already slender commitment to NATO? Do we no longer count? These, honourable senators, are important strategic issues that all stand on the nature and extent of our commitment in Canada to Canada's defence.

Honourable senators, last week, President Clinton signed the NATO Participation Act which allows the U.S. to supply weaponry and American technology to assist those states in the transition to full NATO membership; a transition which Boris Yeltsin strongly opposes and opposed this week at the CSCE meeting in Budapest. Is there, as one astute European journalist noted, a new kind of Berlin Wall being secretly built on U.S. war technology and NATO interoperability?

The Czech Republic, Poland, Hungary, and Slovakia have received already, or are about to receive, advanced avionics that will allow their planes to appear friendly on the NATO screens. Russia should ask what is up in NATO! What new threat does this pose to global security?

Honourable senators, let me return to my core analysis. "Defence" or "security" is a state's insurance. Canadians believe in insurance; Canadians love insurance. Canadians are the largest purchasers of insurance policies per capita in the world. We are a nation of savers. We are also a nation committed to sharing. We are a nation committed to voluntarism.

Therein may lie the answer to our present predicament. Therein may lie the solution to our current conundrum. Norway, Sweden, Finland, and Switzerland have been confronted by similar challenges. All are peaceful nations committed to world peace and stability. All of them are almost neutralist in their bones, yet all have provided a full "security" establishment as a bulwark against civil or international unrest.

Can we not, honourable senators, reorder our priorities in Canada and unleash popular interest in a much larger reserve force, sprouting in every corner of the land, every corner of Canada, enlisting our national spirit? Our peacekeepers are the repositories today of Canada's greatest pride. Canada's defence establishment is the most federal of all our state organisms, and Canadians love to work in organizations. Many of us have taken our sons and now our daughters to hockey and to Cubs. We are a nation of joiners. We love to interact. Why cannot that same spirit of participation, interaction and teamwork be tapped for a vibrant, volunteer, reserve force? Why cannot each Canadian commit a week or two of his time to military preparedness?

Hans Magnus Ezensberger wrote:

> Even the most stupid person should grasp one thing; renouncing the state's monopoly of force has consequences which may harm the political class itself.

The end result, he argues, is the need for "self-defence." If the state refuses to lead, whether it be individuals or groups, they will arm themselves. Ezensberger was thinking of mass terror on the streets of Germany, but his prescription, I believe, is valid for Canada.

Honourable senators, can we not ask Canada's business establishment to guarantee to those who choose to volunteer that they will suffer no job loss opportunity if they take a week or two each year to stand on guard for Canada? Of course, the military establishment would have to revolutionize its thinking and reorder its priorities. We would have to be prepared to revive and promote volunteer reserves.

Honourable senators, Canada does have a choice. We are ruled by the twin gods, Prometheus and Epimetheus. Prometheus was punished for stealing fire from the gods, giving it to the human race, and for many other skills. His brother Epimetheus took Pandora to wife, and despite his brother Prometheus' warning, allowed her to open up Pandora's box, which let lose all the troubles in the world, leaving hope alone.

Honourable senators, we do not have to choose between disaster and isolation. With leadership, all is possible. Canadians are waiting for a clear call.

John Keegan, in his masterful work *A History of Warfare*, concluded that the nature of culture cannot be separated from warfare. Since the nature of the human race has not learned restraint or denial, we must remain on guard.

In the government's Red Book —

**The Hon. the Speaker:** Honourable senators, I regret to inform the honourable senator that his time is up.

Does the honourable senator have leave to continue?

**Hon. Senators:** Agreed.

**Senator Grafstein:** In the government's Red Book, and in our social reforms, we are told there are no rights without responsibilities. If we wish to defend our civil rights in a civil society, rights that are being eroded because of fiscal restraint, we must accept our individual responsibilities for securing our defence. The misalliance must be transformed into an alliance of means that match ends.

Honourable senators, Canadians must expect no more, and demand no less.

**Hon. Colin Kenny:** Would the honourable senator consider a question?

**Senator Grafstein:** Yes, I will.

**Senator Kenny:** I enjoyed the speech by the honourable senator. I was intrigued that the solution selected was a larger reserve. Given that the committee heard testimony that the cost of a reserve soldier in the militia is roughly two-thirds the cost of a regular soldier; given the problems with ensuring that reserves will be available when we need them; given the difficulties that exist with legislation that would require reserves to appear if called for — which is related to the job security problem the honourable senator alluded to — why did the honourable senator select an enlargement of the reserves over an expansion of the regular force as a solution to the problem?

**Senator Grafstein:** Honourable senators, I preach for more in both categories. I also understand fiscal restraint. I am suggesting that wherever we can save dollars, notwithstanding the demands, perhaps that is the way to go.

I believe we are undermanned in our main defence force. I believe the government needs more. I believe we have chopped too much. I do not think we will be effective, but I think in addition to that, we need a much more vibrant reserve. Thus, if you are asking me what I think we need, I think we need both, and in abundance.

**Hon. Philippe Deane Gigantès:** Will the honourable senator answer another question?

**Senator Grafstein:** Certainly.

**Senator Gigantès:** Honourable senators, instead of a full-time reserve, how about larger numbers of part-time and daytime reservists? We could use that reserve as a means of sucking up unemployment in parts of the country where unemployment is endemic. We could also have a larger cadet corps. Both solutions would allow for intensive technical training of these people.

**Senator Grafstein:** I welcome and agree with the honourable senator's suggestion.

**The Hon. the Speaker:** Is it agreed that the debate remain standing in the name of the Honourable Senator Forrestall?

**Hon. Senators:** Agreed.

Motion agreed to and debate adjourned.

# ROUTINE PROCEEDINGS

## EUTHANASIA AND ASSISTED SUICIDE

### COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Leave having been given to revert to Notices of Motions:

**Hon. Joan Neiman**, with leave of the Senate and notwithstanding rule 58(1)*(a)*, moved:

> That the Special Senate Committee on Euthanasia and Assisted Suicide have power to sit at three o'clock in the afternoon on Monday, December 12, 1994, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**Hon. William M. Petten (Acting Deputy Leader of the Government):** Honourable senators, when Senator Neiman arranged for her committee to meet on Monday, she was not aware that we would be sitting. I agree that her committee should be able to meet.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## BUSINESS OF THE SENATE

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, on the subject of committee meetings, can the chairman of the Foreign Affairs Committee tell us what his plans are for hearings on Bill C-57?

**Hon. John B. Stewart:** I cannot make a definitive statement with respect to plans, honourable senators. However, I can be somewhat helpful. I am hoping that the steering committee will be able to meet tomorrow at ten o'clock, and I will ask all the other members of the committee to attend at that time to participate in the planning of the work of the committee on Bill C-57.

I doubt that it will be possible to start the work on that bill this week. However, I hope that we can have meetings perhaps all day Tuesday and Wednesday, and Thursday may be available as well. I do not know what the committee members will want to hear. At the moment, there is that block of time which seems to be available. Of course, if there are more witnesses, the committee could presumably carry on into the following week.

By noon tomorrow, I hope to know more from both sides of the house about the number of witnesses from whom the committee needs to hear.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Thursday, December 8, 1994**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## ROUTINE PROCEEDINGS

### TREATMENT OF ABORIGINAL VETERANS

EXTENSION OF FINAL REPORT DATE—
REPORT OF ABORIGINAL PEOPLES COMMITTEE PRESENTED

**Hon. A. Raynell Andreychuk**, Chairperson of the Standing Senate Committee on Aboriginal Peoples, presented the following report:

Thursday, December 8, 1994

The Standing Senate Committee on Aboriginal Peoples has the honour to present its

SIXTH REPORT

Your Committee, which was authorized by the Senate on January 20, 1994, to examine and report upon treatment of aboriginal veterans following the First and Second World Wars and the Korean War, respectfully requests that the date of presenting its report be extended from December 15, 1994, to no later than March 30, 1995.

Respectfully submitted,

A. RAYNELL ANDREYCHUK
*Chairperson*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Andreychuk, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

### INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SENATE ESTIMATES 1995-96—REPORT OF COMMITTEE PRESENTED

**Hon. Consiglio Di Nino**, Deputy Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, December 8, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

THIRTEENTH REPORT

Your Committee has examined and approved the Senate Estimates for the fiscal year 1995-96 and recommends their adoption.

The total Senate Estimates for 1995-96 will be $42,014,993. In the previous three years, the Senate budget showed a cumulative reduction of 5.8% (2.5% in 1992-93, 1.9% in 1993-94 and 1.4% in 1994-95). This year, although there is no overall increase in the Senate budget, there are a variety of reductions in areas where, it is hoped, there will be the least impact on the services offered by Senate Administration. For example, the closure of the Privy Council entrance to the East Block after hours (provided the Senate is not sitting) and on weekends, and the elimination of the Tour and Relief constable have allowed for a reduction of $116,000 in salaries.

Total person-years have gone down by 10, mainly through attrition, and stand at 437.

A summary of the Expenditure Budget 1995-96 accompanies this report.

Respectfully submitted,

CONSIGLIO DI NINO
*Deputy Chairman*

**Hon C. William Doody:** Excuse me, will copies of this report be distributed? Do we have copies? I would prefer to look at a copy.

**Senator Di Nino:** Yes, honourable senators, copies will be distributed. I have them here.

**The Hon. the Speaker:** When shall this report be taken into consideration?

**Senator Di Nino:** Honourable senators, I move that the report be taken into consideration at the next sitting of the Senate. However, with leave of the Senate, I should like to make a few comments at this time.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Some Hon. Senators:** Agreed.

**Senator Doody:** No.

**Hon. M. Lorne Bonnell:** Honourable senators, before leave is granted, I would like to have a copy of the report so that I will know what we are talking about.

**The Hon. the Speaker:** Honourable senators, leave is not granted. However, the motion is before us. Is it your pleasure to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and report placed on the Orders of the Day for consideration at the next sitting of the Senate.

PRIVILEGES, STANDING RULES AND ORDERS—
BUDGET, 1994-95—REPORT OF COMMITTEE PRESENTED

**Hon. Consiglio Di Nino**, Deputy Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, December 8, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

FOURTEENTH REPORT

Your Committee has examined and approved the budget presented to it by the Standing Committee on Privileges, Standing Rules and Orders for the proposed expenditures of the said Committee for the fiscal year ending March 31, 1995, for the purpose of examining matters in accordance with Rule 86(1)(*f*). The budget is as follows:

| | |
|---|---|
| Professional and Other Services | $2,500 |
| TOTAL | $2,500 |

Respectfully submitted,

CONSIGLIO DI NINO
*Deputy Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Di Nino, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

BUDGET FOR CSCE PARLIAMENTARY ASSEMBLY—
REPORT OF COMMITTEE PRESENTED

**Hon. Consiglio Di Nino**, Deputy Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, December 8, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

FIFTEENTH REPORT

Your Committee recommends that funds totalling $89,576 be authorized as the Senate share of the total budget of $298,590 for the 4th Annual Session of the Conference on Security and Cooperation in Europe Parliamentary Assembly as per the usual 70%-30% sharing agreement between the two Houses.

Respectfully submitted,

CONSIGLIO DI NINO
*Deputy Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Di Nino, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

EUTHANASIA AND ASSISTED SUICIDE—SUPPLEMENTARY BUDGET,
1994-95 REPORT OF COMMITTEE PRESENTED

**Hon. Consiglio Di Nino**, Deputy Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, December 8, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

SIXTEENTH REPORT

Your Committee has examined and approved the supplementary budget presented to it by the Special Senate Committee on Euthanasia and Assisted Suicide, for the proposed expenditures of the said Committee for the period ending March 30, 1995, for the purpose of its examination of the legal, social and ethical issues relating to euthanasia and assisted suicide, as authorized by the Senate on February 23, 1994 and November 29, 1994. The budget is as follows:

| | |
|---|---|
| Professional and Other Services | $34,482 |
| Transportation and Communications | 1,000 |
| All Other Expenditures | 1,500 |
| TOTAL | $36,982 |

Respectfully submitted,

CONSIGLIO DI NINO
*Deputy Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Di Nino, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## BUSINESS OF THE SENATE

ADJOURNMENT

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today it do stand adjourned until Monday next, December 12, 1994, at two o'clock in the afternoon.

Honourable senators, by two o'clock on Monday we should have the supply bill, as well as Bills C-56, C-51 and C-46.

With the committees working on Bill C-57, and with other committees meeting next week, it is my suggestion — and I have discussed this with my colleagues opposite — that on Monday we meet at 2 p.m. For Tuesday, I suggest that the Senate meet at 1:30 p.m. in order to give committees an opportunity to sit in the afternoon. On Wednesday, we could devote the entire afternoon to committees, leaving the morning for caucus. If, however, we find on Tuesday afternoon that we need to meet on Wednesday afternoon for a short time, then the house could meet, as could the committees.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## ALTERNATIVE FUELS FOR INTERNAL COMBUSTION ENGINES BILL

FIRST READING

**Hon. Colin Kenny** presented Bill S-7, to accelerate the use of alternative fuels for internal combustion engines.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Kenny, bill placed on the Orders of the Day for second reading on Tuesday, December 13, 1994.

## FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF THE SENATE

**Hon. John B. Stewart:** Honourable senators, I give notice that at the next sitting of the Senate I shall move:

> That the Standing Senate Committee on Foreign Affairs have power to sit at three thirty o'clock in the afternoon on Tuesday, December 13, and at two o'clock in the afternoon on Wednesday, December 14, 1994, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

I would be prepared to give an explanation of my notice if it would be helpful to honourable senators.

**Hon. William J. Petten (Acting Deputy Leader of the Government):** If the honourable senator would give an explanation, we would appreciate it.

**The Hon. the Speaker:** Is that agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Stewart:** It may be that this motion is redundant. I say that because of what Senator Petten told us earlier this afternoon.

The Standing Senate Committee on Foreign Affairs will be taking under consideration Bill C-57, to implement the agreement establishing the World Trade Organization. Our plan is for the committee to begin its work at nine o'clock on Tuesday morning, and then resume that work at 3:30 p.m. on Tuesday afternoon, even though the Senate might then be sitting.

On Wednesday, we propose to go back into committee at two o'clock in the afternoon, again if we have the permission of the Senate. We are also contemplating the prospect of a meeting of the committee on Thursday morning. At the moment, it would appear that that schedule of meetings would be sufficient for the consideration of the bill at the committee stage.

However, as I said earlier, in view of what Senator Petten has said, it may be that we do not need this motion, but I thought it would be prudent to have permission, just in case someone objects to giving unanimous consent next week.

**Senator Petten:** Honourable senators, perhaps it would facilitate matters if the Senate gave unanimous consent to Senator Stewart's motion?

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Stewart, seconded by the Honourable Senator Kenny:

> That the Standing Senate Committee on Foreign Affairs have power to sit at three thirty o'clock in the afternoon on Tuesday, December 13, and at two o'clock in the afternoon on Wednesday, December 14, 1994, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. John Lynch-Staunton (Leader of the Opposition):** May I ask Senator Stewart if it is his intention, and that of his committee, to wind up his hearings on Bill C-57 at a certain time, or whether he is flexible in his schedule and, realizing the importance of the bill and the commitment which Canada is making through the adoption of Bill C-57, whether he feels bound by the deadline which Senator Austin suggested, which is January 1, 1995?

**Senator Stewart:** I gather that the honourable senator is asking me for my estimate as to the time that the committee will require.

The committee has had the advantage of examining the agreement which gave rise to this legislation. At the moment, the witnesses seeking to appear before the committee are not numerous. It is fair to say that there is a good chance that we will be able to complete the work by Thursday next. If necessary, we can come back the following week, but at the moment I do not anticipate that that will be necessary.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Or Friday?

**Senator Stewart:** That is right, on Friday or Saturday or, indeed, the following week.

Motion agreed to.

## ABORIGINAL PEOPLES

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Hon. A. Raynell Andreychuk:** Honourable senators, I give notice that on Monday next, December 12, 1994, I will move:

> That the Standing Senate Committee on Aboriginal Peoples have the power to sit on Tuesday, December 13, 1994, at 3:30 p.m., even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, perhaps the same courtesy could be extended to Senator Andrychuk, and unanimous consent be given to her motion at this time.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Hon. A. Raynell Andreychuk:** Honourable senators, in light of the fact that the committee on Aboriginal Peoples is examining Bill C-55, and that we wish to complete hearing a number of unexpected witnesses who have made great expenditures of travel and time, with leave of the Senate and notwithstanding rule 58(1)(*a*), I move:

> That the Standing Senate Committee on Aboriginal Peoples have the power to sit at 2:45 p.m. today, Thursday, December 8, 1994, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

• (1430)

## SECURITY AND INTELLIGENCE

POSSIBILITY OF ESTABLISHING SENATE COMMITTEE— NOTICE OF INQUIRY

**Hon. William M. Kelly:** Honourable senators, I give notice that on Tuesday next, December 13, 1994, I will call the attention of the Senate to the desirability of considering at this time the establishment of a Standing Committee on Security and Intelligence.

## HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES— PRESENTATION OF PETITIONS

**Hon. Stanley Haidasz:** Honourable senators, I have the privilege to place in the hands of the Clerk petitions expressing a plea identical to the one I read in this chamber on March 17, 1994. These petitioners pray that the upper house of Parliament protect health care workers with regard to freedom of conscience in the workplace.

These petitions contain signatures of 1,351 persons from various places throughout Canada.

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# QUESTION PERIOD

## THE BUDGET

REVIEW OF GOAL FOR DEFICIT REDUCTION— GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, my question is to the Leader of the Government in the Senate. It was encouraging to listen to the debate on second reading of Bill C-57, and to hear members of the government accepting the leadership of Martin Brian Mulroney's government in the area of world trade.

Senator Austin spoke so eloquently on the virtues of free trade. I recall that in 1988 it set me back to hear how opposed the senator was to the free trade agreement at that time. However, since then the free trade agreements have all been signed and that issue is behind us. Today those agreements are leading to strong economic growth and plant modernization in the country. Ontario is back at the forefront in creating jobs as a result of the Mulroney government's leadership.

On several occasions, I have risen in the Senate to ask whether the government's intention to reduce the deficit by 3 per cent of GDP is an acceptable level compared to the level of the deficit. I have inquired on those occasions when the government will get up the courage to look seriously at expenditures by such government organizations as the CBC. The OECD has now come forward with the opinion that meeting the 3 per cent target is the bare minimum necessary to restore confidence in financial markets after several years of fiscal slippage.

Honourable senators, given that the IMF has said that 3 per cent is not satisfactory, and that the OECD is now saying that 3 per cent of GDP is the barest minimum acceptable, is the government prepared to return to the issue and increase its goal? In my opinion, if we do not begin soon to address some of these areas, we will be in serious economic trouble.

**Senator Thériault:** Like we were 10 years ago.

**Hon. Joyce Fairbairn (Leader of the Government):** I thank Senator St. Germain for his question.

Honourable senators, the government remains firm in its intention to reduce the deficit by 3 per cent of GDP in three years. The Minister of Finance has indicated in the past, as have I in this house in answer to Senator Jessiman, that the ultimate goal is to eliminate the deficit as quickly as it can be achieved.

A deficit reduction of 3 per cent of GDP will not be easy to achieve; it will call for a great deal of belt-tightening in this country, but the Minister of Finance is prepared to go ahead. We are attempting to achieve a new trend, a deficit reduction process that offers some sense of balance with other economic factors in this country, not just the slashing and cutting that has been in evidence in certain other areas of Canada.

The Minister of Finance is undertaking at the moment an almost revolutionary pre-budget consultation. He is receiving suggestions and advice from people from across the country. He will bring in his budget in February.

I should like to remind my honourable friend that while he has quoted the OECD as discussing this minimum goal, he must remember that, in almost every statistical review of recent days and weeks, Canada has been showing extraordinary strength, whether it be in growth, exports or employment. The employment figure for November is 95,000, the largest increase on record. The country is, at the moment, experiencing a consistent, strong economic advance.

**Senator Berntson:** When did it start?

**Senator Fairbairn:** I also remind my honourable friend that while we should listen with respect to advice we receive from outside this country, we must not forget the advice we receive from Canadians. It is on that advice that we will build an economic record which — if one listens to the International Monetary Fund — will show Canada as having the highest rate of growth and employment of the G-7 economies in both 1994 and 1995.

• (1440)

ACTION AGAINST HIGH INTEREST RATES—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, that economic growth, senators, is due to the leadership that took place between 1984 and 1993. That is on the record.

I hear what the Leader of the Government is saying. I am happy for Canada. There is a great deal of growth taking place, and there is no question that the exports are directly related to the free trade agreement and the NAFTA.

I was in business in 1979, 1980 and 1981 when interest rates were sky high. I see a recurrence of high interest rates coming down the pipe towards us. Once we get into that type of tailspin, the party will be over. If interest rates again reach the 23 per cent and 24 per cent level, the growth that the minister has been speaking about, growth which I hope continues, will be curtailed immediately.

I believe that interest rates will be controlled completely by foreign investors as a result of their investing in our long term debt and the certificates that go with it. Is the government prepared to take action now on this issue? When I say "take action", I do not mean on the backs of ordinary Canadians. I mean with respect to certain programs that Canadians have grown to believe are sacred cows in the system; programs that we can no longer afford.

**Hon. Joyce Fairbairn (Leader of the Government):** As Senator St. Germain knows, my colleague Mr. Massé, at this moment, is undertaking a rigorous program review of all the activities of the federal government, as well as its departments and agencies, to see what can be reduced, what can be changed and what can be done better by someone else. In tandem with the Minister of Finance, he will be bringing forward his conclusions.

As Senator St. Germain knows, the goal of the Minister of Finance in preparing his budget has been a strong preference for the cutting of expenditures rather than other forms of economic activity.

On the question of interest rates, my honourable friend will know that the Federal Reserve in the United States does have an effect on interest rates in Canada. The situation is volatile, as it has been several times already this year.

The other source of volatility in connection with interest rates in Canada is the situation in Quebec. The sooner we have a flat out, straight question which Quebecers can answer in favour of a united Canada, the more secure our economy and our interest rates will be.

**Some Hon. Senators:** Hear, hear!

## HUMAN RIGHTS

SALE OF ARMS TO THAILAND—GOVERNMENT POSITION

**Hon. Consiglio Di Nino:** Honourable senators, my question is for the Leader of the Government in the Senate.

In the December 7 edition of the *The Gazette* of Montreal, I read that Canada, in aiming to bolster its depressed defence industry, is planning to sell arms to Thailand. The article states, in part:

> Export curbs on high-tech armaments to Thailand have been eased at a time when other Western arms suppliers are voicing concern over its armed forces' links with serious human-rights abusers in the region.
>
> Confidential documents obtained by Southam News show that federal officials, acting in accordance with a broad policy approved by Foreign Affairs Minister André Ouellet, are again permitting sales of advanced air-to-surface rocket launchers to the Royal Thai Air Force.

Can the Honourable Leader of the Government in the Senate shed some light on this situation? Can she tell me, please, that it is not so?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, in answer to my honourable friend, the Canadian government confirms that Bristol Aerospace has been issued an export permit for Thailand. That, however, is not a confirmation of sale.

This country continues to implement the 1986 policy on export of military goods, which states that we will not export military goods to countries whose governments have a persistent record of serious violations of human rights of their citizens, unless it can be demonstrated that there is no reasonable risk that the goods may be used against the civilian population.

The export application for this permit has been subject to extensive consultation. Its issue will be determined in conformity with government policy guidelines on the export of military goods.

**Senator Di Nino:** Will the honourable senator please undertake to inform us as to whether any of these restricted sales, or other sales of armaments, will be made or have been made to Thailand, either in the recent past or in the future?

**Senator Fairbairn:** I will be pleased to report my findings to the house when I am able to do so, honourable senators.

## ATLANTIC CANADA OPPORTUNITIES AGENCY

SUBSTITUTION OF LOANS FOR SUBSIDIES—GOVERNMENT POSITION

**Hon. Eymard G. Corbin:** My question is directed to the Leader of the Government in the Senate.

Honourable senators, on Radio-Canada this morning, I thought I heard a news item respecting the abandonment by ACOA of subsidies to businesses in the Atlantic provinces. I checked today's *Quorum*, in which I found a brief item respecting Government Services Minister David Dingwall's announcement in Moncton yesterday that, henceforth, loans in lieu of subsidies will be made to businesses in the Atlantic provinces.

What the news was not clear about is that, if this change comes into effect now, whether negotiations now under way for subsidies will be honoured, or whether those negotiations will simply be stopped dead in their tracks. Further, will legislation be required to implement this government decision?

**Hon. Joyce Fairbairn (Leader of the Government):** I thank Senator Corbin for his question.

Honourable senators, the Minister of Public Works and Minister for the Atlantic Canada Opportunities Agency did, indeed, announce yesterday that ACOA will no longer make grants to industry but, rather, will make repayable loans. This is in keeping with the activity of other regional bodies such as the Western Economic Diversification Fund and FedCorp in the province of Quebec.

My honourable friend may know that, since February 1990, there has been a Treasury Board policy which requires most contributions of over $100,000 to be repaid within the ACOA guidelines. The policy enunciated yesterday by Mr. Dingwall extends that to all capital cost contributions.

I know from my experience with the Western Economic Diversification Fund that the policy of repayable loans is working well. It is aimed primarily at small- and medium-sized business and innovative export opportunities.

My honourable friend asks whether programs that are currently in progress will be affected by this policy. I will check with the minister in that regard and get back to the honourable senator.

## BOSNIA

RELEASE OF DETAINED PEACEKEEPERS

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, in light of the fact that Senator Ottenheimer is occupying the Chair, and knowing that he has a great interest in Bosnia and in our peacekeepers there, I should like to tell my colleagues in the Senate that our 55 peacekeepers are no longer being detained.

**Hon. Senators:** Hear, hear!

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, I have answers to three questions: a question asked by Senator Gustafson on May 25, 1994; by Senator Ghitter on November 15, 1994; and by Senator Angus on November 29, 1994.

## CANADA-UNITED STATES FREE TRADE AGREEMENT

GRAINS—BREAKDOWN IN TRADE RELATIONS—
GOVERNMENT POSITION

*(Response to question raised by Hon. Leonard J. Gustafson on May 25, 1994)*

Subsequent to a July 1994 International Trade Commission report and following lengthy bilateral negotiations, Canada and the United States reached a one year Memorandum of Understanding (MOU) on grains, which took effect on September 12, 1994. Under the MOU:

— Canada can export 300,000 tonnes of durum wheat and 1.05 million tonnes of other wheat subject to the NAFTA rate of duty, i.e., US$3/tonne; another 150,000 tonnes of durum wheat can be exported at a US$23/tonne rate of duty; any additional exports will be at a US$50/tonne rate of duty;

— a bi-national **Joint Commission on Grains**, comprised of five experts from each country, has been established to examine grain marketing and support systems in both countries and provide preliminary findings and recommendations to both governments by June 12, 1995; final non-binding recommendations will be reported to both governments by September 11, 1995; the Commission will seek to improve the general understanding of the Canadian and U.S. policies and systems for grains and products in order to achieve lasting solutions for the mutual benefit of farmers and the agri-food industry in North America; and

— as part of an agreed peace clause, the U.S. withdrew a GATT Article XXVIII notification and a request to Congress for legislative authority to implement Article XXVIII action which would have effectively established permanent restrictions on Canadian wheat and wheat products, barley and barley products exports to the U.S. The U.S. also agreed not to impose further restrictions on Canadian grains over the life of the MOU. Canada retains its rights to challenge U.S. actions under the GATT and/or the NAFTA, but has agreed not to request a panel or working party pending the outcome of the Joint Commission's work.

## HUMAN RIGHTS

THREE GORGES DAM PROJECT—
DISPLACEMENT OF CHINESE CITIZENS—GOVERNMENT POSITION

*(Response to question raised by Hon. Ron Ghitter on November 15, 1994)*

**Background – Three Gorges Water Resources Project:**

Civil works have begun on this project. There are 10,000 workers on site. The Chinese Government has advanced the following benefits for the project:

1. The project will control flooding below the dam site. This will protect an estimated 10 million people from the longstanding problems associated with flooding of the Yangtze River.

2. The coal-based energy sources which China currently uses are a source of environmental concern internationally. The intention of this project is to provide a source of electricity for an economy short of power. It is significant that this source will have a reduced environmental impact.

3. Controlling the water levels of the Yangtze River will improve navigation for both commercial and public boat traffic.

4. The electric power generated by the Three Gorges Dam will provide an impoverished region with much needed economic development.

The Canadian Government believes that the Canadian firms pursuing contracts related to the Three Gorges Water Resources Project are world leaders in their industries and that we should provide support to enable them to compete internationally. We believe that their involvement will contribute to finding solutions for some of the complex technical issues associated with the project.

It is for this reason that the EDC will provide financing for Canadian firms which successfully win contracts associated with the Three Gorges Water Resources Project.

**Responses:**

**1. Is the Government of Canada financing any aspect of the project?**

— The Government of Canada is not financing the project;

— The Export Development Corporation (EDC), Canada's official export credit agency, will support Canadian companies, *on commercial terms*, to finance operations related to the Three Gorges Water Resources Project. The firms must first win the contracts on their own merit.

— There is no concessional or grant element in this type of financing.

**2. Are there any details of the relocation of people?**

— The Far Eastern Economic Review has reported that 14,000 people have been successfully resettled to date (October 20, 1994).

— According to the World Bank, China has resettled 31.5 million people since 1950 because of railway building, canal building, reservoir creation or urban resettlement — an average of 800,000 per year. Before the 1980's such involuntary resettlements took place without public consultation and without adequate compensation or regulations.

— The World Bank says that China's resettlement policies now meet the World Bank's criteria. Consultation occurs, action is guided by legislation and compensation is adequate (China Involuntary Re-settlement, June 8, 1993).

**Has the Honourable Christine Stewart's position on the project changed?**

On November 15, the Honourable Christine Stewart emphasized that the Chinese government has decided to proceed with the project. She also emphasized the need for a policy of engagement with China which encompasses a broad range of issues, including human rights and environmental issues.

Canada has a memorandum of understanding with China to share environmental knowledge. We are working with Chinese officials in a variety of areas in this regard. The Environmental Industry Strategy which was announced by Deputy Prime Minister Sheila Copps and Minister of Industry John Manley is a further example of the Government's determination to export our environmental expertise to countries like China, who have identified the benefits of foreign involvement.

This Government believes that a broadly based China policy will be the most effective. Canadian firms are capable of making an important and substantial contribution to the Three Gorges Water Resources Project. At the same time, Canada is also actively involved in development programs with China which emphasize education, women in society, the environment, cultural exchange, human rights and democratic development.

This government recognizes that challenges exist on these fronts, but we believe isolating them from Canadian ideas and expertise is not the answer. We believe our policy of engagement will help our international partners to find the best solutions.

This project could mean thousands of jobs for Canadians. Approximately $4 billion is expected to be spent on foreign equipment and services. Of this, Canadian industry is bidding to supply generators, transmission and other equipment, engineering and project management services valued at between $700 million and $1.1 billion. Direct Canadian exports could be expected to reach $400 to $700 million. This has the potential to create thousands of jobs in Canada — from 3,500 to 35,000 direct and indirect person years. China has repeatedly expressed its hope that Canadian companies will participate.

## ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

APPOINTMENT OF DONALD JOHNSTON AS SECRETARY GENERAL—LENGTH OF TERM—GOVERNMENT POSITION

*(Response to question raised by Hon. David Angus on November 29, 1994)*

Mr. Donald Johnston was appointed on November 29 by the Council of the OECD as Secretary General of the Organization for a term to begin on June 1, 1996. He has been appointed to a full five year term. Mr. Jean-Claude Paye of France was re-appointed as Secretary General of the OECD for a term that will run from November 30, 1994 to May 31, 1996.

There was no amendment to the functions of the Secretary General for either appointment. Mr. Paye and Mr. Johnston will serve consecutive mandates with the normal roles and responsibilities of the office of Secretary General.

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[*Translation*]

# ORDERS OF THE DAY

## CANADA'S DEFENCE POLICY

REPORT OF SPECIAL JOINT COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming the debate on the consideration of the Report of the Special Joint Committee on Canada's Defence Policy entitled "Security in a Changing World", tabled in the Senate on October 31, 1994. — (*Honourable Senator Forrestall*).

**Hon. Roch Bolduc:** Honourable senators, as an alumnus of the National Defence College, I would like to share with this house a few thoughts about Canada's defence policy.

I was not a member of the special joint committee which just tabled its report, but I read it with much interest and I believe that, on the whole, it is a good start, since it seems that the government will go along with some of the recommendations.

Senator De Bané gave us a good idea of the philosophy which guided his group, and there is wisdom in the report. The report outlined very well the new world situation in which our defence strategy must fit.

I also read the dissenting opinions of Bloc Québécois members, which deal more with foreign policy matters than with defence, *per se*.

I also took note of the report of the group of 21 which contains innovative assumptions, although they are rather wishful thinking in my opinion, because they assume that we will never again be faced with military threats. Who knows? I do not think that we can assume that Canada will not make enemies because it is such a good world citizen and, therefore, will not have to defend itself in the foreseeable future. We cannot take for granted that our powerful neighbour has a vested interest in our protection and that we are consequently secure, even without an army.

[*English*]

There is no free lunch in economics and also in matters of security.

[*Translation*]

Lastly, I greatly appreciate the report of the thirteen-member committee, an informal group of people, many of whom I am acquainted with, including Mr. Gilles Lamontagne, Mr. Legault and Mr. Chouinard who submitted recommendations that warrant the government's attention. I hope that it does pay closer attention to them than it did to the advice we gave in connection with the sad affair involving the military college in St-Jean.

The parliamentary committee says that we can trim the size of our air force. I am not an expert, but I have not found any acceptable technical reasons to justify this recommendation. The size of the air force is, by definition, flexible, and ours is a vast country. In my view, we cannot belong to NORAD and NATO without making a decent contribution to these organizations or without being as equally well equipped in the eastern, western and northern regions of the country.

Getting rid of the F-18s is not an economically sound way to manage the air force. In my view, maintaining a single squadron on one base involves some costs. If a cost-benefit analysis were ever conducted, I am convinced that some opinions would be swayed.

For once, we have a public organization involved in aviation that works well. Let us not make any costly errors that may take us a long time to fix. The committee says that we can reduce the size of our navy. However, we have three oceans to patrol to keep an eye out for potential enemies, drug traffickers, foreign fishermen, not to mention the problems associated with transportation on an immense river bordering on three Canadian provinces and eight U.S. states. We are in the process of upgrading our equipment.

As far as our land forces are concerned, I agree with the proposals that have been put forward. I also concur with Senator Gigantès' proposal concerning the use of the reserves. I think we can trim the defence budget a little, perhaps by 10 per cent as has been recommended, but not by much more, given that it is rather modest to begin with.

If we compare ourselves to other Western nations, Canada's participation or the level of our military spending expressed as a percentage of GDP is minimal. However, we can reduce this budget by 10 per cent by improving the way in which we manage our forces: by reviewing, for instance, classification standards for military officers and their deployment, by dividing up tasks more efficiently between military and civilian personnel, by reductions in headquarters and by amending the housing policy for military personnel living off-base, as is the case back home in Sainte-Foy, as well as by amending the personnel rotation policy, which is not cost-effective; and finally, by changing the social benefit policy, in particular severance bonuses which often seem overly generous to my mind.

Finally, we could probably be more efficient in terms of logistics. I am thinking about vehicle fleets and a slew of other equipments. The committee of 13 draws attention to the relationship between our industrial and technological capability, on the one hand, and the operational capability of our forces on the other.

I have no problem with the idea that military equipment has to be up to modern standards and that we have to try and maintain the appropriate industrial capability to meet these standards. However, between the two, priority must be given to the functional aspect of defence, which, in the Canadian context, can only be ensured through alliances, as the last half century has taught us. This does not mean that there is no room for research and development in this area, but just not at any cost.

I support the recommendation from the committee of 13 to clarify the rules governing our participation in UN missions. I think that the events of the last two years show that regional response methods are more efficient that any other, and that we do not have to get involved every time our help is requested by the UN.

Certain requirements should be met, in my view. I am quite baffled to see us taking part in a peace mission in the former Yugoslavia when, for three years, 350 million Europeans have been evading this issue that puts the whole world to shame. While these unfortunate events continue to unfold, some of our allies, in Europe in particular, seem to have an increasingly flagging loyalty to NATO, despite the fact that NATO has been the most efficient military organization these past 40 years, and that these European countries were very happy to make use of its services.

I hope that we will learn from recent experience and decide to examine and clarify the terms and conditions of any future commitment to the UN. In closing, I would like to mention that, in a federal system, defence is, of course, a function of the national government as it entails attractive economies of scale with respect to the inordinate cost of modern military equipment.

[*English*]

**Hon. Colin Kenny:** Will the honourable senator accept a question?

**Senator Bolduc:** Yes.

**Senator Kenny:** I was curious as to why you are opposed to the reduction in the air force, given that the cost of an F-18 is $24,000 an hour to operate as compared to $6,000 for a frigate; given the fact that the principal requirement for the F-18 squadrons has been, with NORAD, to protect North America from incursions over the pole. In the past year, there were no incursions over the pole. Last year, there were none. The year before, there were none; the year before that, there were three; the year before that, there were only five.

**Senator Berntson:** That is because the F-18s are there.

**Senator Kenny:** Given the fact that there have not been any incursions over the pole from bombers, there does not appear to be the same need for fighter aircraft as there has been in the past.

In light of those comments, why is the honourable senator opposed to the reduction?

**Senator Berntson:** The F-18s are there, and frigates do not fly.

[*Translation*]

**Senator Bolduc:** Honourable senators, I am not an expert on that. I am told that we would save about $250 million. I do not think that is enough to cause a problem in a budget of $10 billion. What are we doing with a base in the east or the west or the north? I understand that such bases are expensive to run. They do not have to be kept running all the time and besides, they can be operated differently. I think it is wiser to keep the 72 aircraft and the equipment than to cut it down to one squadron on one base.

What kind of support would there be if a problem arose? Where is the support? I think that management is a better place to look for savings. I think that with a roughly $10-billion defence budget, we can save $250 million somewhere by paying more attention to some other aspects. I would be very reluctant, now that we have decent equipment that works and our forces are well trained — I saw them in operation a number of times and was very impressed. I think that we should be careful before letting that go.

[*English*]

**Senator Kenny:** Honourable senators, the report does call for reductions in headquarters and in headquarters staff, and calls for a reallocation to the land forces. It is not a question of doing away with these aircraft; it is a question of putting them in storage and not using them because they are so expensive to operate.

[*Translation*]

**Hon. Philippe Deane Gigantès:** May I ask a question? You said that we have to be prepared to protect ourselves from an eventual threat. In fact, this is part of the two basic questions which we should ask ourselves when developing a defence policy. The first question is: Who could attack us? The other question is: Whom would we want to attack? Could you answer these two questions and, if you have the answers, then maybe we can discuss how to organize our defence.

Those questions have never been raised since the international situation started changing, even though our defence people want to maintain a military organization which was set up for a Cold War which no longer exists.

**Senator Bolduc:** Honourable senators, the other day Senator De Bané told us, and this view is also expressed in the report, that right now we do not know who the aggressor can be, but that this is pretty normal. As you know, so many changes have occurred throughout the world during the last five years that it is impossible to predict what might happen in the future. That is precisely the problem for us. Consequently, I think that even if we do not foresee any immediate enemies, we have to maintain a defence capability. I think this is just common sense. We do not know against whom we might have to use it, but this is quite often the case.

The Russians may well not have known what would happen in Chechenya and elsewhere. Things just happen. We never hear about what goes on in Pakistan. There is also a lot happening in Afghanistan these days. It is not in the news because the CBC, CBS, NBC or the other networks do not have time to cover these events. But the fact is that a lot is happening. I do not know. This is what Senator De Bané was saying: We do not know, but these things can happen and we need a defence capability like we need firemen. We have to be ready. We do not know when and where we will need it. I am not prepared to say that we have entered a period of peace. The world is in greater danger than it was five years ago.

**Senator Gigantès:** I agree with you, Senator Bolduc. But do you think that the situation has changed to the point that, if there is a threat to North America, it would be directed against Canada rather than the United States? That is what you call a free lunch. Assuming that the Russians or the Chinese launched an attack, their first target would have to be the U.S. We would be affected by the fallout. Why not take advantage of the free lunch under the American defence umbrella?

**Senator Bolduc:** I would rather not answer your question, Senator Gigantès, because it is hypothetical. I think it would be unwise to take such an approach. Canada has entered into an alliance and abides by the rules of the game of this alliance. In fact, it is lucky for Canada that its neighbour accepts to play the game of alliance, because we have a huge territory to protect.

With respect to defence spending in Canada, we have to stop tossing figures about. The defence budget represents $10 million out of a gross domestic product of $760 billion. It is peanuts! Any less would be pitiful. Heaven knows that I am not a militarist, but there is a minimum requirement. It seems to me that this is what we have right now, and that it is working well for the air force.

I am very unsure about keeping only one squadron in Cold Lake or Bagotville. I think it would only make sense that, if you have two squadrons that work well and do not cost an arm and a leg to operate, plus one support unit in case of an emergency, that is enough. However, if you are down to a single squadron at Bagotville and, all of a sudden, something happens and the entire squadron is called out, what is left in terms of support? Nothing. That does not sound wise to me. Mind you, I am no expert. I am about to give a course on national defence. Even if my year at the military college was very informative, I do not pretend to be an expert on military tactics for all that. It seems to me that this is matter of common sense. We need a minimum of military resources with a degree of flexibility.

On the whole, I do not see any major change being required with respect to the navy and the air force. As for the army, I do recognize that some changes are required and should be made.

**Senator Gigantès:** Senator Bolduc, I think you will admit that, during the years when the Soviet threat was hanging over North America, we had a free lunch because our forces were certainly not adequate, whether it was under the Liberals or the Tories — this is not a partisan remark; I am not criticizing one party or the other. Our defence forces would have been totally incapable of defending us had the Soviets or Communists decided to attack us. We would not have been able to defend ourselves without help. If such an attack did not take place, it is because they were afraid of the American might. Truth be told, we did enjoy a free lunch. All I am saying is, let us follow through and make even deeper cuts in defence spending to reduce the deficit. That should make you happy.

**Senator Bolduc:** On this I would tend to side with the joint committee. I think that they have shown great wisdom and that Senator De Bané's speech on this matter was full of common sense as a basic philosophy leading to a policy statement. I would not want you to think that I am harshly critical of the report. On the contrary, I find it quite perceptive. I also liked the report of the 13-member group, but I disagree with that of the 21-member group. If we want to discuss the three reports, I think they were a little naive in saying:

[*English*]

"Oh, we cannot have a free lunch because the Americans are right beside us."

[*Translation*]

It is not right to say this. If we do not pay in terms of defence, we will pay our share some other way. We must not forget this.

**Senator Gigantès:** As you can see, our debate is totally non-partisan. You are agreeing with a Liberal senator while I disagree with him. I thought you were very concerned about the deficit. Although this would be an inexpensive way to cut it, you do not want to do it.

**Senator Bolduc:** I will go even further if I may, honourable senators. I agree that we should cut defence spending from $11.5 billion to $10.5 billion. I agree with this. I think it makes sense. This could be done by reviewing the management of our armed forces. I am confident that it can be done. Cutting costs by 10 per cent is not the end of the world. This 10 per cent can be found somewhere.

[*English*]

On motion of Senator Berntson, for Senator Forrestall, debate adjourned.

The Senate adjourned until Monday, December 12, 1994, at 2 p.m.

# THE SENATE

**Monday, December 12, 1994**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## ROUTINE PROCEEDINGS

### YUKON SURFACE RIGHTS BOARD BILL

REPORT OF COMMITTEE

**Hon. A. Raynell Andreychuk**, Chairperson of the Standing Senate Committee on Aboriginal Peoples, presented the following report:

Monday, December 12, 1994

The Standing Senate Committee on Aboriginal Peoples has the honour to present its

SEVENTH REPORT

Your Committee, to which was referred Bill C-55, An Act to establish a Board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory and to amend other Acts in relation thereto, has examined the said Bill in obedience to its Order of Reference dated December 1, 1994, and now reports the same without amendment, but with the following observation:

The Committee, having heard the views expressed by The Kaska Nation and the Kwanlin Dun First Nation, urges the Government to address, to the extent possible, their respective concerns in a timely manner.

Respectfully submitted,

A. RAYNELL ANDREYCHUK
*Chairperson*

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Paul Lucier:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*b*), I move that the bill be read the third time now. I do so in order to permit the chairperson of the committee to say a few words.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

**Hon. A. Raynell Andreychuk:** Honourable senators, Bill C-55 is the companion piece of legislation to Bill C-33 and Bill C-34, which were passed by the Senate at the end of June and the first part of July, 1994. These three bills are the culmination of negotiations for some 20 years with the Yukon Council. I made my comments at the time of the passage of the other two bills, and I believe those comments are still pertinent today.

This bill will allow aboriginal self-government as a process to begin in the Yukon Territory. It will involve the territorial government, the Canadian government, and the Yukon Council.

What has been particularly difficult with respect to this bill is that while the bill before us, Bill C-55, deals with surface rights, it appeared to be a bill that is in conformity with other surface rights bills that have been passed. The committee found no particular difficulty with Bill C-55 on the face of it.

Honourable senators will recall that when Bill C-33 and Bill C-34 were passed by the Senate, on short notice the Kaska Nation asked to be heard, since they had some difficulties with the process. The Senate agreed to the passing of Bills C-33 and C-34, and indicated that the Kaska Nation would be afforded the opportunity to be heard when Bill C-55 came before us. We were assured by the government that the other two bills would not be proclaimed until all three bills had been passed by the Senate.

Therefore, with respect to the consideration of Bill C-55, the Kaska Nation asked to be heard, and were heard by the committee. In addition, the Kwanlin Dun First Nation also asked to be heard.

What is becoming increasingly apparent is that the road to self-government has been a difficult one for the First Nations. They have dealt with the Canadian government. However, it is a far-reaching and difficult process to make sure that all parties are heard, that all of their rights are adhered to, and that all issues are taken into account.

• (1410)

What is also emerging is that there cannot be complete unanimity among the First Nations, as perhaps we should have realized. While the committee felt that the constitution of the Yukon Council had been followed, and that there is due process within the Yukon Council, nonetheless there are some groups which feel that they have not been properly heard from, or that their views have not been adequately taken into account, nor have they been afforded their full rights. While the committee was sympathetic to this situation, we felt we could go no further than to ensure that the Yukon Council had, in fact, followed a due process model.

However, we are urging the Yukon Council and the Canadian government to think in a forward manner to take into account the minority groups who, in fact, have something to say, particularly the Kaska Nation, which does not recognize our boundaries. Their territorial lands, their lands of usage, straddle both British Columbia and the territories. They believe that, by signing this agreement and adhering to it, it is possible that some of their rights in British Columbia and the totality of their rights might be in jeopardy. The Kwanlin Dun, on the other hand, feel that the question of membership is a difficult one for them. They wanted to have the whole issue of membership aired and resolved before these agreements could go forward.

We have taken the comments of both the Kaska Nation and the Kwanlin Dun as serious issues. In fact, we urge the Canadian government and the minister in particular to take these concerns seriously and to ensure the expeditious and fair continuation of the process of negotiation with the Kaska Nation.

I repeat my comments made at the end of our committee meeting, and I am perhaps speaking as much for myself as for the committee: This is a process whereby the aboriginal peoples have a say in the determination of their future. They also have responsibilities for their own people which before were embedded either in the Indian Act or elsewhere in the Canadian government. It is incumbent upon them to ensure that the process includes all their peoples. While we understand the road to self-determination of their original wishes is a difficult one, aboriginal self-government, too, is a difficult process, and they must ensure it will be of benefit to all their members.

In summary, the committee had no difficulty with Bill C-55 in particular; rather, our concern included the whole process that brought this issue into the Senate. The problems are made abundantly clear by the difficulties faced by the Kaska and the Kwanlin Dun nations.

I urge the minister and the Canadian government to think through the processes leading toward aboriginal self-government. The three bills can be proclaimed at the call of the Canadian government; however, we urge the government to take into account the concerns of the Kaska Nation and the Kwanlin Dun in order to ensure fairness throughout the process.

This process began 20 years ago, but Canada has changed, the issues have changed and the aboriginal peoples' understandings and aspirations have changed. We believe that the three bills together are a fair representation of the direction and the intent which previous governments have followed, and reflect the desires of the aboriginal peoples themselves.

As we enter into other agreements and other pieces of legislation, we can only hope that the process will take into account the issues which, in my opinion, were not adequately handled by these bills. Perhaps both sides will take it as a learning experience and profit from that learning.

Honourable senators, I trust that we can now begin to work on the content of the aboriginal peoples' aspirations in the Yukon.

**Hon. Senators:** Hear, hear!

**Hon. Paul Lucier:** Honourable senators, I rise to address third and final reading of Bill C-55, the Yukon Surface Rights Board bill.

Before I begin my remarks on the bill, I want to thank Senator Andreychuk for her chairing of the committee dealing with Bill C-55. She was put in a very difficult position because certain witnesses were making some representations which, while they dealt with the final results of the bill, did not deal directly with the bill. It took some skill on Senator Andreychuk's part to ensure that these people had a fair hearing, that their position was clearly put and, at the same time, ensuring that the committee remained within its bounds.

I also say thank you to Senator Di Nino who was instrumental in the preparation of the addendum to the report which brings to the attention of the Senate the delicacy of these issues. We are dealing with people issues here which are not always a part of this type of legislation. It was a delicate situation in which the committee had to avoid involving itself in local politics and attempting to solve the problems the Council for Yukon Indians has with their own membership. Mistakes will be made, but as the Chief Negotiator, Vic Mitander, pointed out during the hearings: "There will be mistakes but we will make them and we will sing for them."

I appreciated the way Senator Di Nino and Senator Andreychuk guided us through the committee hearings. It was important. After all, and I am being forced under duress to say this, the Conservative Party had considerable input into this legislation.

**Some Hon. Senators:** Hear, hear!

**Senator Lucier:** Honourable senators, we get as much of the credit for this as I can possibly drum up; however, the umbrella final agreement was signed during the Conservative years in power and they may have had a little bit to do with much of the legislation that is before us.

I do not want to mention from whom I am receiving these "threats"; however, Senator Lynch-Staunton and Senator Berntson have both been invited to the Yukon next year to take part in some of the festivities to be held there. Honourable senators can draw from that whatever they will. I also thank honourable senators for demonstrating their commitment to the social, political and economic development of the Yukon by supporting this legislation at second reading. I urge them to continue that support today so that Bill C-55 can be quickly proclaimed into law.

I will briefly review the objectives of Bill C-55, as well as its broader implications for First Nations people and other Yukoners.

Bill C-55 will establish a new surface rights regime in the Yukon to regulate access to both private and public lands. This new regime is a requirement of the Yukon umbrella final agreement which was signed by the federal and territorial governments and the Council for Yukon Indians in May of 1993.

Notwithstanding this land claim commitment, honourable senators, the new regime also makes sense from the viewpoint of strengthening public government in the Yukon. As land claim final agreements are implemented, the pattern and land ownership in the Yukon will change dramatically. Large areas of Crown land will be confirmed as lands held exclusively by Yukon First Nations.

In total, the 14 Yukon First Nations will eventually own some 41,000 square kilometres of land. As well, other private interests will begin to acquire ownership of more and more land in the Yukon.

• (1420)

Despite this transfer of surface ownership, the Crown will continue to own the subsurface resources under most lands in the Yukon. These resources hold a major key to economic growth and job creation in the territory. Parliament must ensure that the holders of substantial surface rights and others who need to use the land have access to it. That is the objective of the new surface rights regime. With Bill C-55, we will help put in place clear rules, rights and obligations for acquiring access to lands in the Yukon. In so doing, we will reinforce the certainty that is one of the primary benefits of land claims final agreements, giving both industry and land owners the confidence to invest in resource development projects. This in turn will create jobs in the Yukon and contribute to Canada's overall prosperity.

Honourable senators, Bill C-55 provides for the establishment of the Yukon Surface Rights Board, a key element of the new regime. This board, which has been modelled on similar institutions operating in Manitoba, Saskatchewan, Alberta and British Columbia, will function primarily as a dispute resolution mechanism.

As I have already indicated, the Yukon Surface Rights Board will have powers to resolve disputes related to both settlement and non-settlement lands throughout the territory. The government anticipates that most of these disputes will involve access to land for the purpose of exploring and for developing subsurface mineral resources. Among other powers, the board will have the authority to issue access orders, to establish terms and conditions of access, and to award compensation for access or for damages resulting from access. The board's orders will be enforceable through the Supreme Court of the Yukon Territory and may be appealed on limited grounds, such as bias or a lack of procedural fairness.

I want to make it clear that the Yukon Surface Rights Board is a new institution of public government. Its members will be appointed by the Minister of Indian Affairs and Northern Development. Half of the board members will be nominated by the Council for Yukon Indians and half by government. This will ensure that all sectors of Yukon society are represented on the board and will have meaningful input into the decision-making process. It will make the Yukon board a practical example of resource and co-management that can be replicated in other jurisdictions.

Honourable senators, one of the underlying reasons for creating the new board is to keep issues of access and compensation out of the courts. In other jurisdictions in Canada, this approach has proven to be both a cost-effective and time-saving alternative to litigation. However, this does not mean that the government wants each and every access issue to be brought before the board. In fact, the opposite is true.

Honourable senators, Bill C-55 will require people to attempt to negotiate access and compensation agreements before bringing the dispute before the board. The board will only be asked to resolve disputes where no such agreement was possible.

As honourable senators heard during second reading debate, this bill is based on extensive consultation with the Yukon First Nations, the territorial government, the mining industry and the general public. It comes as no surprise to anyone that, since it was included as a provision of the Yukon Umbrella Final Agreement and has been developed during more than a year of meetings, drafting and redrafting, it is fair and reasonable to all parties and it is responsible to Canadians in general.

I would remind my honourable colleagues that Parliament's endorsement of this legislation is critical to the process of settling land claims in the Yukon and bringing self-government to the Yukon First Nations. Without Bill C-55, honourable senators, neither the Yukon First Nations Land Claims Settlement Act or the Yukon First Nations Self-Government Act will come into force. Both acts have been approved by Parliament, but under the terms of the land claim agreement, they cannot be proclaimed until this new surface rights regime is in place.

Honourable senators, Yukoners — and particularly First Nations people — have waited far too long to have the certainty and other benefits that land claim settlement will bring. The Yukon Umbrella Final Agreement is a result of more than two decades of negotiations. It has raised expectations and created a new mood of optimism in the Yukon.

This is a good bill in its own right, but we must keep in mind that much more is at stake, including the honour of the Crown in living up to its commitments that have been made to Yukon First Nations over many years. With that in mind, I would once again urge honourable senators to support Bill C-55. A "yes" vote today will have positive repercussions in the Yukon for years to come.

Honourable senators, with respect to the problems that Senator Andreychuk spoke so clearly about, further meetings were held in the Yukon this weekend. The Kaska Dena and the Council for Yukon Indians and Kwanlin Dun particularly have made considerable progress in dealing with the problems brought to the committee last Thursday. These problems are not solved yet, but they have come a long way to solving them, and will continue to work in that direction in the proper forum, which is their forum in the Yukon.

I also wish to say at this time that with the passing of Bills C-33, C-34 and C-55, a new era is dawning in the Yukon. We will now see the serious devolution of powers from the federal government to the government of the Yukon Territory. The negotiations for that devolution of powers will now take

place with three governments at the table: the federal government, the government of the Yukon Territory, and the First Nations' government. No serious devolution, in my opinion, can take place without the three partners in serious negotiation. I am not talking about one or two parties getting together and saying, "We will discuss devolution," and then bringing in the third party to ask what it thinks. I am saying that now there will be some serious negotiation with all three parties involved. That is the only way I see devolution of powers from the federal to the territorial government taking place.

With that, honourable senators, I should like to thank all members on both sides of this house. We have had fantastic cooperation all the way through the process from my colleagues on this side as well as the senators on the other side. I can tell honourable senators that such cooperation is appreciated.

Motion agreed to and bill read third time and passed.

## VISITORS IN GALLERY

**The Hon. the Speaker:** Honourable senators, I should like to bring to your attention the presence in the Speaker's Gallery of a delegation from the Council of Yukon Indians, who have come to see the historic passage of Bill C-55 at third reading. Present are Judy Gingell, chairperson, Shirley Adamson, Chief David Keenan of the Tlingit Council, and Percy Henry, an elder from Dawson City.

**Hon. Senators:** Hear, hear!

[*Translation*]

## CRIMINAL LAW AMENDMENT BILL, 1994

REPORT OF COMMITTEE ADOPTED

**Hon. Gérald-A. Beaudoin:** I have the honour to present the ninth report of the Standing Senate Committee on Legal and Constitutional Affairs on Bill C-42, to amend the Criminal Code and other Acts (miscellaneous matters).

I ask that the report be printed in the *Minutes of the Proceedings of the Senate* of this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

*(For text of report, see today's* Minutes of Proceedings of the Senate.*)*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

**Senator Beaudoin:** With permission, immediately.

**The Hon. the Speaker:** Is permission granted?

**Hon. Senators:** Agreed.

**Senator Beaudoin:** Honourable senators, the Committee on Legal and Constitutional Affairs, to which Bill C-42 was referred, has examined this bill, assisted by presentations made by experts from the Department of Justice, on two occasions, by the Criminal Lawyers' Association of Ontario, the Canadian Daily Newspaper Association and the Barreau du Québec. Today, we wish to propose six amendments, including four of a formal nature and two relating to substance.

The Department of Justice has agreed to drop clause 61 from Bill C-42. This clause gave rise to considerable discussion within the committee. Its purpose is to prohibit the publication of material provided by the prosecutor to the defence. Revealing prosecutorial evidence to the accused is now compulsory since the judgment of the Supreme Court of Canada in the *Stinchcombe* case. Clause 61 will be revised in the course of the next review of the Criminal Code, which is scheduled for 1995.

The committee also recommends that clause 62 of Bill C-42 be dropped. This clause prohibits the publication or broadcasting of any information in respect of any matter dealt with by a judge before any juror is sworn, and of any information in respect of any matter dealt with after the jury is sworn but when the jury is not present and permission to separate is given to members of the jury.

The committee heard conflicting opinions on the impact of this clause, which constitutes a violation of freedom of expression and freedom of the press. The central question is whether or not this restriction is justified in a free and democratic society, within the meaning of section 1 of the Canadian Charter of Rights and Freedoms. In light of the recent decision of the Supreme Court of Canada regarding the film *The Boys of St. Vincent's*, in which the Supreme Court indicated that one must strike a fair balance between the right of the accused to a fair trial and the public's right to know, the committee feels it is preferable to drop this clause from Bill C-42. If the Minister of Justice is of the opinion that the clause is necessary, he will have to revise the wording to bring it into line with the recent decision of the Supreme Court of Canada and those rights and freedoms protected by the Canadian Charter of Rights and Freedoms.

The four remaining amendments are purely formal in nature and consist in bringing the French version into line with the English version.

First, it is proposed that the French version of clause 37 be amended by adding the words "faite sous serment" to better reflect the English version. The purpose of this amendment is to ensure that the two versions are equivalent.

The second amendment concerns clause 38. It is proposed that the French version be amended by adding the words "après la saisie." The purpose of this amendment is also to ensure that the two versions are equivalent.

The purpose of the third amendment is to make the French version of clause 44 correspond with the English version.

Finally, the French version of clause 71 of the bill refers to a non-existent paragraph. This clause amends subsections 1 to 3 of the present section 699 of the Criminal Code. The French version of subsection 3 refers to paragraph 2(*b*), which exists in the English version but not in the French. This is simply a drafting error which must, however, be corrected immediately.

Furthermore, the word "convocation" for subpoena must be replaced by the more accurate term "assignation."

Honourable senators, these are the reasons why the committee has seen fit to propose six amendments to Bill C-42.

Finally, I would like to say a few words about the process. In future, it would be most desirable to submit such bills to the Senate first. All members of the committee agree with me on this point. The Senate has already proven itself in this very important field. No doubt we would do better work if we had more time. Honourable senators, I therefore ask you to adopt this report.

**The Hon. the Speaker:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*g*), Honourable Senator Beaudoin, seconded by Honourable Senator Murray, moves that this report now be adopted. Honourable senators, is it your pleasure to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill as amended be read the third time?

[*English*]

**Hon. P. Derek Lewis:** With leave, now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill, as amended, read third time and passed.

• (1440)

## APPROPRIATION BILL NO. 3, 1994-95

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-63, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Petten, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading later this day.

## DEPARTMENT OF INDUSTRY BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-46, to establish the Department of Industry and to amend and repeal certain other Acts.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Petten, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

# QUESTION PERIOD

## THE BUDGET

METHODS OF DEFICIT REDUCTION—GOVERNMENT POSITION

**Hon. Roch Bolduc:** Honourable senators, my question is directed to the Leader of the Government in the Senate.

Before the election, the now Minister of Finance said, and I quote:

> We don't believe that increasing taxes is a decent way of fighting the deficit.

Does the government still hold that view?

**Hon. Joyce Fairbairn (Leader of the Government):** I thank the honourable senator for his question. As the honourable senator knows, in his efforts to reduce the deficit to the goal of 3 per cent of GDP in three years, the Minister of Finance has indicated that the preferred method of doing so is reducing expenditures.

He has also indicated that he seeks the views of Canadians and groups, including the Finance Committee of the House of Commons, in this pre-budget consultation. Their views, of course, will be considered. However, anything further must await the budget.

Both the Prime Minister and the Minister of Finance have indicated that their preference for proceeding toward their goal is a reduction in spending.

## IMMIGRATION

IMMIGRATION AND REFUGEE BOARD—REVIEW OF POLICY AND APPOINTMENT PROCESS—GOVERNMENT POSITION

**Hon. Consiglio Di Nino:** Honourable senators, the Immigration and Refugee Board is a powerful agency responsible for deciding the fate of thousands of individuals every year. This determining body has been held up as a shining example within the international community, and is a vital part of our United Nations' commitment and humanitarian obligation.

In overlooking the incidents of recent weeks, including last week's $100,000 payoff of Mr. Schelew, and in persisting in trying to sweep serious allegations under the carpet, this government tarnishes Canada's domestic and international reputation as a trustworthy and generous provider of refuge for those who are persecuted.

My question for the Leader of the Government in the Senate is this: Will this government preserve our good reputation and immediately move to review the entire policy and operations with respect to the IRB, including the appointment process, and remedy the source of the conflicts that have resulted in two resignations within the past five weeks?

**Hon. Joyce Fairbairn (Leader of the Government):** I thank Senator Di Nino for his question. The honourable senator will know that the reputation of the board, based on history, is of great concern to the minister. Events of recent weeks have obviously caused considerable concern.

Honourable senators, the chairman of the board has requested a meeting with the minister in the near future to discuss proposals for a more effective and efficient operation of the board. The minister will follow that up quickly.

The board itself has been reviewing the conclusions of the Hathaway report and is planning, as well, to implement some of those recommendations.

**Senator Di Nino:** Honourable senators, before I ask my next question, I wish to read what Minister Marchi said on October 1, 1994, to the editorial board of *The Toronto Sun*. He stated:

> I think we have improved the quality of appointments on the Immigration and Refugee Board. We place more emphasis on competence than ever before. Some previous appointments were nakedly partisan.

That is a quotation from Mr. Marchi.

The government, in its now infamous Red Book, promised the Canadian people that, once elected, they would move to ensure that Governor-in-Council appointments would be less political and more aptly attributable to professional credentials. Indeed, Minister Marchi has recently referred to the advertising of appointments in *The Canada Gazette*. He stated that this demonstrates that his government has made progress and depoliticized the appointment process.

Once again, honourable senators, in actual fact, it was former Prime Minister Kim Campbell, shortly after taking office, who immediately instituted this first move in making the appointment opportunities available to *The Canada Gazette*, not Mr. Marchi. Mr. Marchi, on the other hand, has continued to appoint his campaign workers, his fund raisers and supporters, and his Liberal colleagues to the Immigration and Refugee Board.

Honourable senators, I fear that we are not yet finished with this matter. Will this government break another Red Book promise by relinquishing its commitment to amend the political appointment process?

**Senator Cools:** No politics is good business.

**Senator Fairbairn:** Honourable senators, I will certainly transmit my colleague's views to the minister and to the government. However, I would reiterate what I have said before: that I believe there are fine Canadians serving on the board. The people who serve on that board do so in good faith and with competence.

In any event, I will transmit the further views of my friend to the minister.

## NATIONAL DEFENCE

### SEARCH AND RESCUE—REPLACEMENT OF SEA KING AND LABRADOR HELICOPTER FLEETS—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, I have a question for the Leader of the Government in the Senate. However, before I ask my question, first of all I wish to extend the sympathy — I am sure of all of us — to the families of the seamen lost at sea off the East Coast of Canada just a few days ago, and to express appreciation for the efforts of both the Canadian and United States Maritime Search and Rescue personnel. I draw from that only slight embarrassment but, nevertheless, comfort in seeing the United States Coast Guard equipment doing work which might more properly and more quickly have been done by Canadians, if we had had that capacity.

• (1450)

I ask my question with those thoughts in mind, and in light of the very strong advice received by government over a period of years from military officials, that the seaborne Sea King and the search and rescue Labrador need replacing. That replacement was virtually assured by a firm undertaking in Minister Collenette's recent release.

Will the minister find an early opportunity to clarify with the government whether or not the government intends to take the advice of their own senior people in replacing these two pieces of equipment, as has been advised, with a single piece of equipment?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am pleased to take my friend's question to the minister and to provide as much information as I can to satisfy the question. I also join with my friend in his first remarks. I want to extend our deepest sympathy and our feelings of pride to those families who have lost members. All members in this house think of them with great concern, sympathy and pride for what they achieved.

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[*Translation*]

# ORDERS OF THE DAY

## APPROPRIATION BILL NO. 3, 1994-95

### SECOND READING

**Hon. Jean-Robert Gauthier** moved the second reading of Bill C-63, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.

He said: Honourable senators, I wish to thank all the honourable senators for their welcome and to say that I intend to take an active part in the debates in this place. Let us say that, so far, I remain a neophyte. I have no comment, but someday soon I will gain courage and make constructive suggestions. You can count on that.

The bill before you today, honourable senators — that is to say Appropriation Bill No. 3, 1994-95 — provides for the release of the total of the amounts set out in Supplementary Estimates (B) and (C) for 1994-95, or $1.895 billion.

Supplementary Estimates (B) and (C) for fiscal year 1994-95 were tabled in the other place on November 3 and 17 respectively. These supplementary estimates were considered in committee, on November 24, 1994, with senior officials from Treasury Board and the Minister of Finance in attendance.

These supplementary estimates increase the federal government's net estimated expenditure requirements by $1.895 billion, of which approximately $1.1 billion has to be approved by Parliament through an appropriation bill. The other $750 million or so represent the net budget-actual variance on a number of statutory items already approved by Parliament.

[*English*]

Here are some of the main items in these supplementary estimates: an increase of $3.3 billion in forecast public debt charges due to higher interest than originally forecast; a forecast decrease of $3.3 billion in benefit payments from the unemployment insurance account due to measures announced in the February 1994 budget as well as a reduction in the number of claimants; a net increase of approximately $794 million in transfer payments to the provinces in support of health, post-secondary education, and social assistance payments; $527 million from the Department of Finance to meet Canada's commitments under multilateral agreements to reduce the debt load of certain heavily indebted countries; finally, $101 million from the Department of Foreign Affairs and International Trade related to assistance to be provided by Canada to countries of Central and Eastern Europe and the former Soviet Union.

Honourable senators, should you require additional information, I will try to answer questions. If not, I move the adoption of this report.

**Hon. C. William Doody:** Honourable senators, in response to my friend's introduction of this bill, I should like to say a few words. It has not been the custom of this place to go into great depth on appropriation bills or supply bills. We usually deal with them in detail in the National Finance Committee, and the committee report forms the basis of the debate in this place.

That report has been tabled. We spoke in some detail about that report last week. At that time, I called the attention of the Senate to the various components of this particular appropriation bill, particularly the two supplementary supply acts.

Having said that, I do not think it is necessary at this time to go into any more detail. I appreciate my friend's comments and I share the enthusiasm of our friends on both sides for his presence here with us.

Motion agreed to and bill read second time.

On motion of Senator Hébert, bill placed on Orders of the Day for third reading at the next sitting of the Senate.

## CANADA'S DEFENCE POLICY

### REPORT OF SPECIAL JOINT COMMITTEE— DEBATE CONTINUED

On the Order:

> Resuming the debate on the consideration of the report of the Special Joint Committee on Canada's Defence Policy entitled "Security in a Changing World," tabled in the Senate on October 31, 1994.—(*Honourable Senator Forrestall*).

**Hon. John Sylvain:** Honourable senators, Senator Forrestall had intended to be here to speak on this item, but he is absent at the moment. Senator Kenny and I are prepared to speak to this matter now. May we have permission to give our comments and then adjourn the matter once more in the name of Senator Forrestall?

**The Hon. the Speaker:** Is it agreeable that we proceed with another speaker and leave the matter in the name of Senator Forrestall, honourable senators?

**Hon. Senators:** Agreed.

**Senator Sylvain:** Honourable senators, it gives me great pleasure to rise today and join in the debate on Canada's defence policy and the shape this policy should take in the future.

When I was asked to join the Special Joint Committee on Canada's Defence Policy, I thought it would be a wonderful opportunity to put my knowledge of the military to use. Unfortunately for me, that knowledge was gained during the Second World War, somewhat before the days of our high-tech military, and certainly long before *Star Wars*. However, I felt I had one saving grace. I have been a member of the NATO parliamentary group for some years and have gained some appreciation of the changes which have taken place in the world situation since the fall of the Berlin Wall.

Finally, I have spent my life in business, and I believe someone on the committee should at least look at the problems that changes in defence might bring to our military defence industry, such as it is.

• (1500)

I enjoyed my involvement with the committee. I feel that I contributed in some part to the focus of the report. Fortunately, I believe our report was taken into consideration by the government when they drafted the white paper on defence which was released on Thursday, December 1, 1994.

It is appropriate that I pay tribute to my Senate colleagues who took part in the work of this committee. On the government side, Senator De Bané co-chaired the committee in an even-handed fashion which fostered good discussion on most, if not all, topics. Senator Kenny was his usual inquisitive self. No statement by a witness or department official went unchallenged. In the end, we have a better report because of his tenacity.

On this side of the chamber, there were three of us who championed different causes. Senator Meighen pursued the enhancement of the reserve system, and the prominent place reserves occupy in the white paper is largely due to his work in this area. Senator Forrestall, ever the Maritimer, put the name of Cornwallis in almost every transcript of the committee's proceedings. To his credit, he also raised the issue of helicopters at every opportunity, and the mistake made by the government when it rejected the EH-101.

As for myself, I concentrated, as I indicated previously, on NATO, the preservation of Canada's defence industry, and on the curious budgetary allocation to the Department of National Defence. As I will explain later, that budget includes much more than simply spending on the military.

The NATO debate, or more properly whether Canada should remain in NATO, began with the publication of the Canada 21 Study just as the committee was established. This group of scholars and some former politicians argued and recommended that Canada virtually terminate its relationship with NATO. I found that to be a completely untenable position. I believe that Canada's continued involvement in the NATO alliance is of prime importance.

Fortunately, I was not alone in these beliefs. Alex Morrison of the Canadian Institute of Strategic Studies, during his appearance before the committee, supported Canada's continuing in NATO. He described those who would have Canada continue in NATO but not live up to its financial obligations as "disingenuous." It was also encouraging to hear Major-General Lewis MacKenzie describe Canada's continued involvement in NATO and SACLANT, the Supreme Allied Commander Atlantic, that is the North American pillar of NATO as "paying our dues in the international community."

NATO is no longer a collective security organization designed to protect Europe against the communist threat. It has evolved in the last few years into a "partnership for peace." The involvement of former Warsaw Pact nations in NATO is still a shock to the system for some of us. Walking down the corridors of NATO headquarters, it is interesting and encouraging to see representatives of former enemy nations taking part in debates over peace and security.

Perhaps the benefits of our continued involvement in NATO were best described before the committee by Professor Mark Hennessey of the Royal Military College at Kingston when he said:

> As for our alliances, NORAD and NATO, they currently provide us with a voice in international discussions that is out of proportion to the forces we dedicate to the task. NATO is important to us and we should exercise our voice, especially over the question of giving a blank cheque to the newly democratic nations of Europe. These alliances also provide us access to top level intelligence.
>
> It is important that Canada be positioned to take advantage of the new relationships in Europe. With the transformation of NATO could come a new measure of integration between items that can be supplied by North America and which are needed in Europe. There is an expansion in trade relations and revolutionary developments in global communications and technologies. As well the flow of ideas across international borders joins commodities and capital as we move into an era of cooperation. This trade, and Canada's role in it, is facilitated by collective security organizations such as NATO and the consequence of linking together the nations of the Partnership for Peace with the rest of NATO.

I stressed as well the fact that Canada can take advantage of Article 2 of the NATO Treaty, the Canadian clause. This article allows for economic cooperation among alliance members. It is taking on increased significance as NATO becomes more involved in strengthening free political institutions and promoting "conditions of stability and well-being." In fact, it is this article which allows NATO to move into economic and cultural spheres of member countries.

It was my major intention when questioning witnesses on the subject of NATO to draw out NATO's contributions to the Canadian government for use of facilities in Canada, and the benefits of our involvement in NATO to Canada's defence industry. My premise for doing so was the following: If I could show that, through payments to Canada for the use of Canadian infrastructure by NATO countries, our participation in NATO costs us that much less, and if I could show that jobs in Canada were created and maintained in our defence industry because of our continued involvement in NATO, then I could show an overall economic benefit to continued Canadian involvement. I believe I was able to prove both of my premises, and if the white paper can be believed, my argument for continued involvement in NATO was accepted by the government.

As for the benefits accrued because of foreign military training held under NATO agreement, the 1991-1992 estimates published by the DND show the total local economic benefits to be in the order of $42.3 million. Added to this is the economic benefit enjoyed by Canada's defence industry because of our NATO involvement.

In its appearance before the committee, the Conference of Defence Associations stated:

> In the short term, I would look at our defence industry sales. As far as I know, after the United States, we still make the next highest number of sales of subsystems and systems to our NATO allies.
>
> ... NATO allies do take a steady amount of our defence production.

Let us not forget that the United States is also part of NATO.

Canada's defence industry, as reported to the special joint committee by the Canadian Defence Preparedness Association, is composed of some 800 companies who participate either directly or indirectly in defence production. Approximately 70,000 people are employed directly, with another 100,000 to 120,000 in supporting industrial occupations. Canadian industry supplies approximately 70 per cent of Canada's defence needs, but requires an export market if it is to be profitable and to be able to do the research and development work necessary to remain competitive. It should be noted that 19 per cent of the government's total expenditures go directly to the Canadian defence industries.

In 1991, Canadian defence exports were $900 million. Of that, $726 million went to the United States, $131 million to Europe and $62 million to the rest of the world. In 1993, exports to NATO countries other than the United States totalled $77 million, according to the annual report on exports of military goods from Canada published by the Department of Foreign Affairs and International Trade. NATO countries, including the United States and the European countries, remain a vital and essential market for Canadian defence exports.

In addition, there is the Canadian aerospace industry. In his presentation, Peter Smith, President and CEO of Aerospace Industries Associations of Canada, gave some impressive statistics as to the amount of money involved in this industry, persons employed, and its export market. In 1993 he reported that aerospace industries generated sales of $9 billion, with 70 per cent of that coming from exports. Between 70 and 80 per cent of those exports went to the United States. A little over 70 per cent of the aerospace output is commercial with the remainder being for defence. Most of the defence products, he reported, are in avionics or electronics or dual use in that they have both a civilian and defence application. Canadian aerospace domestic defence sales and exports employ approximately 18,000 people directly with total aerospace employment being 100,000 people.

Mr. Smith referred to the importance of the Defence Production Sharing Arrangement with the United States as it includes Canada as part of the North American defence industrial base, and allows access to technology development on projects of mutual assistance. He stressed the importance of the agreement because of all the aerospace sales, about $1.5 billion, mostly for defence exports to the United States. I asked him if we were not a member of NATO or NORAD would the same level of sale occur? Not surprisingly, he responded that our industries receive this level of sales specifically as a result of Canada's membership in NATO and NORAD.

Because of my interest in NATO and the defence industry, I am heartened by the white paper. It is obvious the government paid attention to the findings of our committee, and having listened, will it be willing to act in support of the industry?

On Page 42 of the defence white paper the government states:

> ...National Defence will work with Industry Canada, as well as Public Works and Government Services Canada, towards harmonizing industrial and defence policies to maintain essential defence industrial capability. The Government will seek to foster defence conversion, overall industrial growth, and the international competitiveness of Canadian firms consistent with our international trade agreements.

I hope, as does the defence industry, that the government will live up to these commitments.

• (1510)

The last issue I wish to address covers a number of related matters. They are covered both in the committee's report and in the white paper, but I refer to them mainly under the heading of the "defence budget." Matters such as regional development and buying off the shelf are both related to the defence budget.

Throughout the committee's hearings I attempted to establish that the defence department's budget was only partly dedicated to defence. A portion of it, in my estimation, goes toward regional development schemes which form part of the procurement chain. The point here is that most people who are knowledgeable in the area of defence and who have studied the defence budget, believe it has been cut as far as it can be cut and still be a multi-purpose combat-capable force. We argue in our report that any further cuts will have to identify which capability the government wishes to have dropped. However, if you can conclude that a portion of the defence budget does not supply defence at all but looks after regional industrial expansion, then these amounts should be removed, in whole or proportionately, from the defence budget, allowing more room for the maintenance of our military capabilities.

This "budget plus" was addressed by representatives of the Auditor General's office who appeared before the committee. In addressing procurement and defence budgets, Mr. Rattray of the Auditor General's office stated:

> You have to look at procurement in its totality as a government instrument. You cannot take an organization such as National Defence and simply say "Let's just buy exactly what Defence needs to meet its operational requirements, pure and simple." There is a complexity here in that large expenditures are used for non-defence objectives. They're valid objectives. The government sees fit to take certain action. Therefore, it becomes very complex.

However, a few minutes later, when dealing with the same theme, he acknowledged that we "have a defence budget plus." The committee's report at page 23 describes the present defence budget of $11.6 billion as including

> ...an undetermined cost for regional economic development which the Auditor General's office has stated makes the Defence budget in reality a Defence Budget Plus, and therefore gives a misleading picture of military expenditures.

I am pleased to see in the white paper that the military procurement will be brought at last into the last half of the twentieth century through the use of just-in-time delivery and off-the-shelf purchasing for military goods.

I doubt that regional development will ever be completely divorced from the defence budget. It should be helpful, however, to have the regional development costs reflected in some other department's budget so that we can get a true picture of how little money the military is given to protect Canada's interests at home and abroad.

All in all, I believe the defence budget review, through the use of a special joint committee, has proven to be a useful exercise. The use of joint committees does give this house some degree of influence over the making of public policy.

I look forward to the establishment of the Special Joint Committee on Defence, as recommended by our committee on defence policy review.

**Hon. Colin Kenny:** Honourable senators, I rise today to speak on the report of the Special Joint Committee on Canada's Defence Policy. At the outset, I would like to thank Senator Sylvain for his kind remarks.

Over the past eight months, the committee has worked hard and seriously to produce a document which I believe has been a useful step in the development of Canadian defence policy. We sat for over 200 hours in eight months, or one out of every 20 waking hours, and the committee attendance was over 95 per cent. We travelled almost 44,000 kilometres, the equivalent of once around the world. We heard 403 witnesses. We received over 300 written submissions and gathered stacks of defence documents.

Parliament can now boast 16 reasonably knowledgeable members on defence matters who have demonstrated that Parliament can, and should, have a role in the development of defence policy.

What is the fundamental message of our report? It is that Canada needs its armed forces now and into the future. Why? The purpose of Canada's armed forces is to protect our interests, support our values and fulfil our responsibilities.

However, many argue that, "There is no threat to Canada." In a direct limited military sense, that may be true, but there are certainly threats to our interests and values. The Canadian Forces have been continually engaged at home and abroad, even since the end of the Cold War, in protecting those interests and values and in fulfilling our responsibilities as a country.

In the Gulf War, we participated to protect our interests in a stable international system governed by the rule of law against an outright aggressor. We also had an interest in protecting the world's oil supply, on which many of our trading partners rely and on which our own trade therefore relies.

In Rwanda and Haiti, we are participating to protect our values because we cannot sit idly by while people are massacred or democracy is overthrown. We participated in rebuilding Cambodia in 1991 and 1992 because we have a responsibility as a rich and secure nation to help bring peace and stability to others.

At this point, I should like to quote General Lewis MacKenzie in his testimony before the committee, when he argued that our obligations abroad are proportional to our blessings at home. This confers a large responsibility on Canada. We cannot predict the future but we can be sure that problems and tragedies, like and unlike those I have just mentioned, will occur. They will occur because, although the world has changed, human nature has not.

While warfare on a global scale may be a thing of the past, new regional conflicts are breaking out faster than old ones are resolved, often within rather than between states. Sources of conflict are many, including ethnic and religious intolerance, and environmental degradation. Conflicts can break out with stunning speed and savagery, as we have seen in Rwanda.

Political and economic reform is creating losers as well as winners. An unexpected economic disruption or a well-timed political coup in a country such as Russia could overturn fragile new structures. The new rulers may find themselves with large arsenals of conventional weapons or even weapons of mass destruction and the will to wield them.

Canada will not be immune. Economic interdependence ensures that when conflicts do break out, their effects will reverberate around the world. Ease of access to global transportation means refugees can, sooner or later, reach Canada's shores. Closer to home, we are already seeing emerging dangers caused by scarcity of resources. Our East Coast fisheries have been savaged by fishing fleets mostly from countries whose own stocks have been depleted.

As well, drug- and people-smuggling to Canada and across Canadian land and waters continues to increase. Domestically, all is not calm either. Forces of tribalism, regionalism, and nationalism tug at our social fabric. The wrong combination of grievances, determination, hopelessness and poor judgment can quickly and easily turn instability into confrontation.

This is an unstable world. Terrible things will continue to happen and, when they do, they will be worse than we expect. We can also be sure that the security threats we confront will not be what we planned for. This is the lesson of history.

Who would have thought that the war in the middle of our century could be so terrible and last so long? It did in part because we and other Western countries did nothing to prepare. Our young men and women paid a high price later because governments had other priorities in the 1930s. History goes on repeating itself.

Fifty years later, in 1982, Britain found itself fighting in the South Atlantic, scant months after deciding that its naval sources could safely be substantially cut back. Even more recently, the United States found itself engaged in a major land war shortly after the fall of the Berlin Wall, when everyone had concluded that the era of heavy armoured warfare was a thing of the past.

When threats to our security arise, we must be able to respond. When the threats are at home or nearby, it is on our own national capabilities that we must rely first and foremost. For this reason, the committee saw a continuing purpose in a military capacity to oversee and protect Canadian territory, air space and water.

That is not to say we cannot seek multilateral approaches to reducing the burden. For example the report proposes that the government pursue a multilateral agreement to demilitarize the Arctic. Concerns about submarines under the ice pack, about threats to Canadian sovereignty and about ecologically damaging activities in this sensitive environment could be answered by such an initiative.

• (1520)

When the threats are overseas, we must and will always act in cooperation with others. We work with our friends and allies to promote peace and stability because that is the way we can make the greatest contribution to global security. It is for this reason that we have and must continue to participate in multilateral security forums like the United Nations and the North Atlantic Treaty Organization. We must also continue to cooperate with the United States in a broad range of areas, including NORAD. Participating in multilateral security operations overseas ensures that we will not lose our influence and access to the highest councils where our economic and security interests are at stake.

Our reliance on multinational organizations means that we also have a big stake in adapting them to our current need. How we do that is a matter for our foreign policy. However, it is clear that we need an international community which can manage conflict and crisis quickly and cheaply. The difference now is that our focus should no longer be on a particular region or on a particular type of conflict.

From these realities, the committee concluded that the Canadian Forces would have to carry out two primary tasks. The first is to protect Canada's territorial sovereignty and the second is to defend Canada's security interests internationally. To do this, the committee's fundamental conclusion is that our armed forces must be unified, properly equipped, combat capable and multi-purpose. They must be flexible, mobile and adaptable.

We concluded that the Canadian Forces are not yet properly structured and equipped for these tasks. We need to make some changes. First, and most basic, we need more soldiers at the sharp end. The committee visited units in Croatia and Bosnia which were constructed out of other units because they were so undermanned in Canada. We met soldiers on their third six-month tour of duty in two years, because there just are not enough combat soldiers in our army. We have to do something about that. Second, we need to be able to get those soldiers where they need to go, especially overseas, and support them. Third, those soldiers need to be properly protected. Not to provide them with the right equipment is immoral.

Again in the former Yugoslavia, the soldiers told us that their armoured personnel carriers were unable to stop a bullet and that they did not have enough radios or night vision binoculars. We have to do something about that.

Our defence spending has to be radically altered. The priority must be spending on equipment and training for the young men and women who are going into harm's way. That is why we recommended a major redesign and reduction of Canadian Forces headquarters. That is also why we believe the reserve forces, which cost $1 billion per year, should be put to better use and provide more combat service support capabilities.

That is why we recommend that fighter aircraft be cut. That one part of the Air Force costs us over $1 billion a year to operate when all the training, headquarters and base support costs are factored in. Yet, they have been deployed overseas on operations only once in the last 40 years, that being during the Gulf War. Our entire land forces cost only twice as much and they have been sending thousands of people on operations overseas every year for decades. Some things are out of balance in our forces, and the balance must be restored.

What kind of armed forces do the committee's recommendations leave us with? They leave us with an armed forces that has at home, for task one, one ship available at all times on each coast to act in the world's second largest maritime area of responsibility; an ability to know what is going on in our air space and do something about it; a capacity to deal with one or two Oka-type incidents across the country; and, abroad, for task two, an armed force that can contribute to two or three multinational operations, such as peacekeeping missions, in a major way. This is at a time when there are several dozen conflicts going on around the world and, undoubtedly, more trouble on the way.

Given that so much of our trade is overseas, and given that we are a nation of immigrants with roots around the world, this hardly seems excessive. Yes, I am afraid it will cost us between $10 billion and $11 billion a year for the foreseeable future. Modern, well-trained and properly equipped armed forces are expensive. They take time to create. They cannot just be plucked off the shelf when needed. However, not to have them when they are needed is even more expensive. Spending on defence is an investment in our long-term security.

I caution that spending only 2 per cent of our gross domestic product on our long-term security may be too low and could prove short-sighted. As an analogy, we have built a beautiful house but we are living in a high-crime district, and we are very foolish if we do not install the proper security system. The premium for that security system will be much cheaper than the cost of a fire or a break in.

Some have called for more defence cuts and a smaller defence budget. "The Cold War is over," they say. "It is time for a peace dividend." We have that dividend, and for us it is peace. Others argue that times are tough, that the deficit is our biggest threat, that defence must pay its share. Well, defence has paid and paid and paid its share. In fact, since 1961, the increase in spending on debt servicing has almost exactly equalled reductions in spending on defence as a percentage of government expenditures. This means that defence cuts have been the only real strategy of successive governments to pay for our debts.

Spending on defence is now less than a quarter of our spending on debt servicing. You could cut defence to zero, abandon our sovereignty and global interests, and still not come close to solving the problem.

Still others point to our allies and say that they are cutting more, and why can we not? In spite of all the cuts, Canada is still among the NATO countries which spend the smallest percentage of their gross domestic product on defence. For over 30 years we have had a free ride, and the free ride is over.

Of course, the defence we get for our money depends upon how well we spend it. The major purpose of our work was not to examine how defence is run, but in the course of digging under rocks we unearthed a lot of issues and concerns. Management of defence is complicated and full of difficult issues. I do not want to spend too much time on it today. However, it is clear that in many areas we have not yet got it right. There is much work left here for the department and Parliament.

One recommendation that is likely to upset a lot of people is that we stop using defence equipment purchases to subsidize regional development or, if we do so, we should identify the premium which, in the past, has been as high as 30 per cent, and call it regional development spending, not defence spending.

We also want the military to buy equipment off the shelf. We can no longer justify designing and manufacturing military equipment that is unique to Canada, and that has no market outside Canada. We believe that Canadian companies can compete without a constant stream of government subsidies.

The Auditor General clearly pointed out in 1992 that companies rarely break free from subsidies and technology transfer, which is often the excuse for the subsidy. It hardly ever happens.

• (1530)

Honourable senators, if we want to spend money supporting regions or industries, let us say so and not disguise it as part of the defence budget. We are spending little enough on real defence without applying additional burdens of regional development or corporate subsidies under that account.

There is much left for Parliament to explore in defence management. Several of our recommendations called for the parliamentary committee to follow up with further study. We believe the process should continue. If war is too serious a business to leave to the generals, then defence is too serious a business to be left to the bureaucrats.

The committee has proposed some positive, achievable reforms to ensure that members of Parliament will be engaged in an ongoing way in the most profound responsibility of government — the protection of its citizens and sovereignty. We believe that ongoing parliamentary scrutiny of defence is in the national interest. We want government to tell us what it will do with respect to its future expenditures and capital plan. We want government to tell us what it has done in an annual review and assessment of defence policy, and by reporting on the progress of capital projects.

**The Hon. the Speaker:** Honourable Senator Kenny, I am sorry, but I must bring to your attention the fact that your time is up.

Honourable senators, does Senator Kenny have leave to continue?

**Hon. Senators:** Agreed.

**Senator Kenny:** Honourable senators, we want government to tell us how well it has done, with meaningful indicators which actually tell us how much defence we are getting for our dough. Parliament must use that information earnestly.

Honourable senators, the defence of the nation is serious business. It should be subject to a regular public review. It should involve all recognized parties in Parliament to build the largest possible consensus, and Parliament should have sufficient resources to do a credible job.

For this reason, the committee has recommended that a Standing Joint Committee on Defence be established to build on the success of this latest exercise. Our report establishes an opening agenda for the committee, a series of issues which remain unresolved, and information from the government on plans, priorities and the capital programs on which to seek the views of Canadians.

To sum up, honourable senators, the Special Joint Committee on Canada's Defence Policy has produced a report which repositions Canada's Armed Forces for the next decade. The committee has shown that Parliament can and must play a significant, continuing role in the development of Canadian defence policy. I hope that the work of the recommended standing joint committee on defence can begin soon.

**The Hon. the Speaker:** Is it agreed that the order remain standing in the name of the Honourable Senator Forrestall on the Order Paper?

**Hon. Senators:** Agreed.

## TREATMENT OF ABORIGINAL VETERANS

### EXTENSION OF FINAL REPORT DATE— REPORT OF ABORIGINAL PEOPLES COMMITTEE ADOPTED

The Senate proceeded to consideration of the sixth report of the Standing Senate Committee on Aboriginal Peoples (extension of deadline), presented in the Senate on December 8, 1994.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I rise on behalf of Senator Andreychuk. This extension of deadline was explained. It is simply an extension of the deadline to report on the aboriginal veterans' study. It has no budget implications, I am told, nor any other implications other than simple logistics in getting the report ready. Thus, the committee has asked for an extension.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Berntson, for Senator Andreychuk, seconded by the Honourable Senator Doyle, that this report be adopted now.

Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and report adopted.

## UNITED NATIONS

### INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT—INQUIRY—DEBATE ADJOURNED

**Hon. Stanley Haidasz** rose pursuant to notice of November 17, 1994:

> That he will call the attention of the Senate to the officially adopted text of the International Conference on Population and Development (ICPD), held in Cairo, Egypt, from September 5 to 14, 1994.

He said: Honourable senators, I should like to speak to my inquiry this afternoon. If I do not have enough time after the 15-minute limit, I should like to resume tomorrow, with the permission of honourable senators.

It was with a deep sense of appreciation and responsibility that I accepted the challenging invitation from the Minister of Foreign Affairs last September to be a member of the official Canadian delegation to the third UN International Conference on Population and Development held in Cairo, Egypt, from September 5 to 14, 1994.

Despite my experience as a delegate for Canada 20 years ago in August of 1974 at the first UN Conference on Population in Bucharest, I did feel some trepidation about the portent of this highly controversial and important third conference. Incidentally, another Canadian delegate to the third UN Conference on Population in Cairo was our former colleague Senator Lorna Marsden, who had also been a delegate to the second international conference held in Mexico City in 1984.

In Cairo, I was the lone senator on the Canadian delegation, headed by the Honourable Sergio Marchi, the Minister of Citizenship and Immigration. His deputy was Secretary of State for Foreign Affairs (Latin America and Africa), the Honourable Christine Stewart. Other Canadian delegates included seven members from the House of Commons and spokesmen from the Ministries of Health, Citizenship and Immigration, Foreign Affairs, and also two directors of the NGO Planned Parenthood of Canada.

I wish to express my appreciation to our Ambassador to Egypt at that time, Mr. Jacques Simard, and his associates for their expert assistance and hospitality during our stay in Cairo.

As honourable senators know, the civilization of Egypt dates back to 5,000 years B.C. It has a rich, varied history and culture that is most fascinating, not only because the Sphinx and the pyramids are located there, but also from the historical events that took place in that country — if we go back far enough — to Joseph, son of Jacob, who became chancellor to one of the Pharaohs and who helped many Hebrew people in Egypt during the world famine at that time. Let us not forget that it was out of Egypt that Moses led forth the Jewish people from enslavement and crossed the Red Sea.

Today, honourable senators, the lands of the Nile, sometimes shaken by Islamic fundamentalism, are nonetheless filled not only with towers of mosques but also with the spires of Christian churches and other religious denominations.

In Cairo, it was startling to see extra police and soldiers — amounting to about 2,000 — at all checkpoints throughout the city protecting the delegates, which apparently numbered, including the NGOs and tourists, an extra 20,000 people.

The conference was preceded by a two-day consortium of parliamentary associations hosted by the Egyptian government on September 7. They called it "Parliamentarian's Day." It was chaired by Speaker Ahmad Fathi Sorour, a high-ranking member of the Inter-Parliamentary Union. Some 200 parliamentarians from around the world offered in the National Assembly their views for an official IPU statement regarding the main objects of the Cairo UN conference, which was adopted without a vote. I was the only Canadian to speak in that debate and did so, of course, on my own behalf as a physician and also as a long-time parliamentarian.

• (1540)

The International Conference on Population and Development, as the conference is known officially, was attended by delegations from 183 countries. It was presided over by Dr. Nafis Sadik, a physician from Pakistan and director of the United Nations Fund for Population Activities. This conference was one of the most important conventions ever on population questions, and certainly the biggest, bearing profound implications for society in the approaching millennium.

The focus for discussion, called the draft Programme of Action, evoked a lively and highly polarized debate on the central chapters of the draft text. Many developing countries, and several Islamic states, along with the Holy See, objected to permissive language on abortion, promotion of contraception, extramarital sexual relations, erosion of the status of the family and exposure of adolescents to corrupting pornographic material. Under the limits of time, pressure to attain a rough consensus produced several express reservations by more than 45 countries to passages in the Programme of Action to which they could not consent. Therefore, until the last day, there was no consensus.

A primary objective enunciated in the adopted Programme of Action was to raise $17 billion for the advancement of primary health care for women and for the promotion of non-coercive family planning information. Much of the target was said to be attainable with a commitment of 0.7 per cent of each country's

GNP, a level which Canada already exceeds, to an aggregate of more than $80 million in the field, including projects backed by CIDA and IDRC. Discussions about the controversial idea of allocating 20 per cent of GNP and 20 per cent of aid to population activities will take place at the next world summit in Copenhagen, Denmark, in March of next year.

Honourable senators, as the sole Canadian senator at the Cairo conference, it is my intention to give you today a synopsis from the vantage point I was privileged to have and, by inquiry today, to make several recommendations.

On November 17, 1994 during the Forty-Ninth General Assembly of the United Nations in New York City, which is ongoing, the Secretary General released the official report of this ICPD conference held in Cairo, including the 110-page Programme of Action — the non-binding set of aspirations the convention propounded. To this document, more than one in four, or 47 of the 183 delegations attending out of the 192 invited, had expressed reservations. Written reservations alone occupied 10 per cent of the 155-page report of the ICPD, which I am happy to table today in order that honourable senators will be apprised of this important conference.

The variance of consensus by written and oral reservations was over and above the absence from agreement of those who did not attend the conference, namely, Saudi Arabia, the Sudan, Iraq and Lebanon, who stated publicly their objections to the conference, as well as Monaco, Liechtenstein and Nauru, and war-ravaged Bosnia and Rwanda.

The Cairo Programme of Action is thus viewed best as a weather-vane for development policy where it affects natural population growth. Chapter III of the Programme of Action, to which no reservations were lodged, declared sustainability to be the context within which economic development should be evaluated. Even so, what sustainability actually means, or what it consists of, was left undefined.

Significant in their presence were delegations of the so-called emerging economies: Eastern Europe, Baltic and the Russian-Federation nations, ravaged by negative fecundity and plummeting GDP. About 40 island states had a large impact, whose hopes of stability are affected by demographic factors — some very positive, such as tourism on which they depend, and others markedly negative, owing to obvious limits.

Over-urbanization is a prime factor for developing nations, whose need to expand infrastructure is poignant, as to an important extent it is for emerging economies. Several nations facing desertification, such as the sub-Sahara desert nations, need to determine where to emphasize infrastructure expansion — in the already burgeoning cities or as against the desert.

The Programme of Action of this conference widely acknowledged the family to be the normative element founded on marriage of male and female essential to society for raising its future generations. Combining with attention to this fact in the Year of the Family, the United Nation's evolving vision of itself as world intervenor for peace highlighted the concerns of innumerable people seeking hope, escaping oppression and separated by violence. That Canada takes proud interest in the migration of families, and in their reunification, was emphasized in that the Minister of Citizenship and Immigration headed our delegation. He acknowledged during his speech at the plenary session that Canada, by nature, depends upon immigration to be sustained, let alone to grow. He said that it has always been his experience that Canada, as a compassionate country, welcomes streams of humanity for the building up of a just society. In his speech to the General Assembly he also stated that he recommends that our government support the G-7 call for another conference of this type in 1997.

Besides being a response to geography and upheaval, this conference in Cairo was also a needed opportunity to assess a tumultuous decade of the world's progressing and sometimes floundering development, taking a close look at its most telling measures. Prominent among these human goods were fertility, longevity, wellness, security, education, and other human rights, such as equity of the sexes and respect for the family.

Nine days were nowhere near adequate to assess these attainments, let alone to consolidate findings and craft a directive of future goals. Consider the necessity for a world conference just on the development of women, which is to be held in Beijing, China next September, and the World Summit on Social Development in Copenhagen, which I mentioned earlier. At a hoped-for world conference on migration, respect for human diversity will play a major role, something which I think would be an important conference if the nations of the world get organized and agree to attend.

• (1550)

At Cairo, the question of the equity of sexes arose frequently, especially during our discussions on education and health. While women do generally survive men, this vigorous feminine contribution to a robust populous is in many places undermined by inadequate primary health care even during maternity, a time that normally is the pink of female health.

Of great concern, especially to the physicians at the conference, was the unhealthy and uninformed tribal rite or ritual whereby young girls of some Islamic families are subjected by their parents to so-called female circumcision. As the removal of an organ, this practice is classed by our medical profession as genital mutilation. Along with many other delegates, many of them reverent Mohammedans, I was appalled at the shocking revelations in a CNN television documentary shown during the conference depicting the tribal practice of clitoridectomy. In one unforgettable scene, the young female victim screams out, "Father! Father!...A sin upon you. A sin upon you all."

Honourable senators, I submit in this inquiry that, so far as the limits to pluralism must operate for the good of a just society, as we aspire to be here in Canada, excising organs for non-medical reasons, even vestigial organs, which of course genitalia are not, is to be deplored by all nations.

In the Canadian context, which is multicultural like no other, the point is especially significant. Security of the person and life itself upon which every liberty is founded are so fundamental that we are troubled to frame for them a charter of fundamental rights and freedoms.

**The Hon. the Speaker:** Honourable Senator Haidasz, I am sorry to interrupt but your time is up.

**Senator Haidasz:** With the permission of honourable senators, may I continue the debate on my inquiry at the next sitting of the Senate?

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Haidasz:** Then I adjourn this debate.

On motion of Senator Haidasz, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Tuesday, December 13, 1994**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATOR'S STATEMENT

### HUMAN RIGHTS

UKRAINIAN-CANADIAN COMMUNITY—
REDRESS FOR PAST INJUSTICES

**Hon. A. Raynell Andreychuk:** Honourable senators, I rise today to give voice to the concerns of the Ukrainian-Canadian community, of which I am a member. A series of injustices committed against this community during and immediately following the First World War are undisputable and disturbing. Equally disturbing is the fact that so many Canadians are still unaware of these injustices, and yet this cause is not more diligently pursued by the media, academics and beyond the Ukrainian community.

Under the War Measures Act of 1914, the Government of Canada proceeded to intern thousands of Ukrainian-Canadians, considering them enemy aliens. Men, women and children were herded into camps where they were treated as prisoners of war and deprived of fundamental human and civil liberties. While interned, some of the lands belonging to this segment of the population were confiscated and their labours were used to profit agencies of the government. These highly significant injustices have yet to be properly recognized and dealt with.

The debate over acknowledgment and redress has not been non-existent. Indeed, on September 22, 1988, Prime Minister Brian Mulroney announced that an agreement had been reached with the National Association of Japanese-Canadians regarding the acknowledgment and redress for crimes committed against that community during the Second World War. With regard to such measures, he stated:

> ...you deal with them in the belief that a strong nation is capable of looking at its past and resolving injustices as they occur, and that's what we are in the process of doing.

The imperatives that demand that we learn from the Japanese-Canadian experiences are no less pressing in the case of Ukrainian-Canadians. It is in this vein that the government of the day entered into negotiations with the Ukrainian-Canadian Congress in 1988.

On May 18, 1993, the Secretary of State for Multiculturalism offered a package of proposals designed to meet the redress requirements of the Ukrainian-Canadian community, including an official acknowledgment, certificates of honour, a national builders hall and community programs. This package did not lead to a settlement, but negotiations continued.

It is unfortunate that progress has been slow for the acknowledgment and redress of injustices towards Ukrainian-Canadians. It is essential that this issue not be allowed to falter. Redressing an historical injustice is fundamental to the ability of the Ukrainian-Canadian community to regain and sustain its sense of identity and moral worth. We must confront history and learn from it, so that we may move forward. Only in facing up to this tragedy, by admitting mistakes, acknowledging hardships and, most of all, by educating those who come after us, can we ever hope to remove the threat of such events occurring again.

I, therefore, call on the government to pick up where the previous one left off by properly resolving the compelling issue of Ukrainian-Canadian internment redress. This is an important issue for all Canadians. It must be addressed as a priority. In the coming weeks, I will continue to press the government on this issue.

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## ROUTINE PROCEEDINGS

### FUTURE OF AGRICULTURE IN CANADA

INTERIM REPORT OF AGRICULTURE
AND FORESTRY COMMITTEE TABLED

**Hon. Dan Hays,** Chairman of the Standing Senate Committee on Agriculture and Forestry, presented the following report:

Tuesday, December 13, 1994

The Standing Senate Committee on Agriculture and Forestry has the honour to table its

FOURTH REPORT

Your Committee, which was authorized by the Senate on Tuesday, June 7, 1994, to undertake a special study on the future of agriculture in Canada, tables an interim report on "New Realities and Tough Choices: From Agriculture to Agri-Food."

Respectfully submitted,

DANIEL HAYS
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

• (1410)

On motion of Senator Hays, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

REPORT OF AGRICULTURE AND FORESTRY COMMITTEE REQUESTING POWER TO TRAVEL PRESENTED AND PRINTED AS APPENDIX TO MINUTES OF THE PROCEEDINGS OF THE SENATE

**Hon. Dan Hays:** Honourable senators, I have the honour to present the fifth report of the Standing Senate Committee on Agriculture and Forestry, requesting that the commmittee be empowered to incur special expenses pursuant to the procedural guidelines for the financial operation of Senate committees.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day, and that it form part of the permanent record of this house.

**The Hon. the Speaker:** Honourable senators, is it agreed that this report be printed as an appendix?

**Hon. Senators:** Agreed.

*(For text of report, see today's* Minutes of the Proceedings of the Senate, *Appendix (A), p. 682.)*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Hays, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## ADJOURNMENT

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, December 14, 1994 at one thirty o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

# QUESTION PERIOD

## THE ECONOMY

EXPECTED INCREASE IN DEBT SERVICE COSTS— GOVERNMENT POSITION

**Hon. Duncan J. Jessiman:** Honourable senators, my question is for the Honourable Leader of the Government in the Senate. Since the Minister of Finance tabled his fiscal update in October, there has been a sharp jump in interest rates. This is especially true in relation to the short-term debt that makes up most of the government's liabilities. The interest rate on three-month treasury bills has jumped almost two percentage points since October 25; one-year T-bills are up a percentage point and a half; five-year bonds are up half a percentage point. Only at the long end of the market do we see 30-year bonds down, and then only marginally.

The government's goal on the deficit is to reduce it to $25 billion annually, two years from now. The government says each full percentage point increase in interest rates adds an extra $2.5 billion a year in interest costs after two years. The House of Commons Finance Committee said last week that if the government cannot meet its deficit target, it should slap on a deficit surtax.

Can the Leader of the Government assure us that taxes will not rise to meet the added debt service costs?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Jessiman for his question. You will know that I cannot really make pronouncements on matters that pertain to the budget. Therefore, I am constrained in answering your question.

As you are aware, the increase in interest rates is something that the government had foreseen some time ago. Indeed, many months ago when we were making projections, a great many people thought we were being overly pessimistic.

Now, as the Minister of Finance has stated, we are in a position to continue on the course that we have undertaken. The commitment remains undiminished in terms of our goal to reduce the deficit to 3 per cent of GDP in 3 years.

We are obviously concerned about the rise in interest rates. It is a worldwide phenomenon. It is in large measure, too, a factor of the activities of our friends at the Federal Reserve Board in the United States. The situation also is not helped by comments such as those made by the Premier of Quebec in New York yesterday.

POSSIBLE REDEMPTION OF CANADA SAVINGS BONDS— GOVERNMENT POSITION

**Hon. Duncan J. Jessiman:** Honourable senators, given the sharp increase in interest rates over the past six weeks — and I am told today that the bank rate has jumped 71 basis points, so it now stands at 7.03 per cent — is the government concerned that there may be a rush to redeem Canada Savings Bonds at the end of this month? If such concern does exist, is there a contingency plan to deal with it?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I honestly could not comment on that question. I will take it to my colleague the Minister of Finance and see what kind of a response I can get for my friend.

## ATLANTIC CANADA OPPORTUNITIES AGENCY

SUBSTITUTION OF LOANS FOR SUBSIDIES—APPLICATION OF SIMILAR RULES IN ALL PROVINCES—GOVERNMENT POSITION

**Hon. Brenda M. Robertson:** Honourable senators, my question is for the Leader of the Government in the Senate. The Atlantic Opportunities Agency announced last week that it is changing its policy on contributions to business. In ACOA's first five years of operation, that policy has helped the economy of the Atlantic region to grow by some $1.4 billion. It has reduced the region's income disparity gap with the rest of Canada by 4 per cent. It has created 42,000-plus new jobs, and maintained another 45,000 jobs.

I agree with the change in policy towards loans rather than grants. I know that the Western Diversification Program also operates on loans. However, will the Honourable Leader of the Government provide assurance that the regional development dollars being spent in Ontario by FEDNOR, and in Quebec by FORD-Q — or La Pred, as I believe it once was called — will be subject to the same rules that the federal government is applying in Atlantic Canada and in the western provinces?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank my friend for the question. I can certainly indicate to her that FORD-Q in Quebec operates on repayable loans. I will need to check on the Ontario situation, and will do so quickly.

ATLANTIC CANADA REGIONAL VENTURE CAPITAL FUND—EQUITY FINANCING NEEDS OF SMALL BUSINESS—GOVERNMENT POSITION

**Hon. Brenda M. Robertson:** I have another quick question, honourable senator. The regional development conference in Moncton last week issued a report that the four Atlantic premiers and the Minister for ACOA are working on the creation of an Atlantic Canada regional venture capital fund, which is excellent news. Further, a press report stated that the minister, David Dingwall, and the premiers are studying a proposed venture fund of $20 to $30 million which would be invested in companies needing $1 million or more in equity to develop products and export markets.

• (1420)

In practical terms, there is a significant need in the Atlantic region for equity funding for businesses requiring financing in the range of $100,000 to $200,000. The bulk or majority of new jobs created over the past few years has come from those smaller industries.

My question is this: What consideration is being given to addressing the equity financing needs of businesses in this range, which create the most jobs and opportunities for Atlantic Canadians?

I know you will not be able to give me an answer today, but I should like it as soon as possible.

**Hon. Joyce Fairbairn (Leader of the Government):** I will pass that question along to my colleague. I know that my honourable friend shares with the leaders in Atlantic Canada the concern that small and medium-sized businesses receive a constant and viable access to capital for their development and expansion. I will put that directly to the minister as well.

## THE BUDGET

ELIMINATION OF TAX BREAKS FOR HEALTH AND DENTAL PLANS—GOVERNMENT POSITION

**Hon. Erminie J. Cohen:** Honourable senators, health and dental plans are on the list of tax breaks that the government is considering scrapping. Some plan members could pay up to several hundred dollars a year in extra taxes. This is more than many would pay for health and dental services if they had no plan. Is the government not concerned that this would cause many workers to drop out of dental and health plans?

**Hon. Joyce Fairbairn (Leader of the Government):** I will tell my honourable friend, as I indicated to Senator Jessiman earlier, these are questions for which I have no answer at the moment. Indeed, even if I did, I would not be able to give them to you.

As the honourable senator knows, the suggestions coming forward from many sectors have been prompted by the pre-budget consultation process which, in terms of generating ideas not just from a parliamentary committee but from Canadians all across this country, is quite amazing. All of these suggestions will be considered in the final analysis. The Minister of Finance will go into his office quietly and decide, and then we will know in February.

**Senator Cohen:** Honourable senators, if the workers drop their coverage, there will be no benefits to tax. However, many of these same taxpayers could claim the medical credit for bills their plan used to cover. Why, then, is the government willing to risk destroying a system that works well for what may turn out to be very little in the way of extra tax revenue?

**Senator Fairbairn:** I will be very pleased to take my friend's concerns and comments to the Minister of Finance, who has not made up his mind on any of the issues before him. I will be putting these questions before him as well.

## AGRICULTURE

THREAT TO SUGAR INDUSTRY UNDER NEW GATT RULES—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, my question is for the Leader of the Government in the Senate. In less than a month, Canadian sugar companies and related industries will face a serious crisis because, on January 1, 1995, under the new GATT rules, the U.S. will impose new restrictions on imports of sugar and sugar-containing food products, threatening more than 2,400 jobs in Canada, including jobs in my own province of Manitoba. The U.S. is taking this step in order to protect its own market, which maintains artificially high prices for sugar, and thus creating more barriers for Canadian companies.

Honourable senators, my question is this: Can the Leader of the Government indicate to us what action the Canadian government is taking, and what talks are going on to prevent this crisis?

**Hon. Joyce Fairbairn (Leader of the Government):** I thank my honourable friend for her question, one which she will know is of great importance to myself and to the area I represent.

The Minister of Trade, the Honourable Roy MacLaren, has had repeated conversations with his counterpart in the United States, Mickey Kantor, on this issue. He was doing so again last week in Miami. I have not yet received a report as to the progress or nature of those most recent discussions. However, I will try to find out what they were and have an answer for the honourable senator tomorrow.

## TRANSPORT

### PEARSON INTERNATIONAL AIRPORT—IMPLICATIONS OF ALLEGED INVOLVEMENT OF PRIME MINISTER—REQUEST FOR ANSWER

**Hon. Ron Ghitter:** Honourable senators, my question is for the Leader of the Government in the Senate and relates to the continuing interest in the Pearson airport matter.

You may recall a week ago that I made an inquiry as to whether or not the Prime Minister was involved, as a lawyer in private life, in giving legal advice to the syndicate, or to any representatives of the consortium. I have not yet received a reply to that question. In view of the forthcoming recess and the continuing interest in this topic, and now that the Prime Minister has returned from his travels, has the honourable leader yet had an opportunity to discuss this matter with the Prime Minister, and if so, does she now have a response to my inquiry?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I have not had an opportunity to discuss this matter with the Prime Minister. I certainly forwarded the questions of my honourable friend to his office just as soon as they were asked. This afternoon, I will attempt to get a response from him before we adjourn for the recess. If that is not possible, I will get it to him another way.

[*Translation*]

## THE BUDGET

### PROPOSED CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN—RESUMPTION OF DISCUSSIONS—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, my question is for the Leader of the Government in the Senate. The saga of the Collège militaire royal de St-Jean continues. Last weekend, the federal government agreed to discuss with the Government of Quebec a process whereby the military college would be closed after a period of two years instead of several months. I would like to know what the government's intentions are.

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** My honourable friend is quite right. The saga continues. A number of statements have been made in recent days, as he will know.

Honourable senators, discussions have been moving along very well with the mayor of St-Jean. Those discussions were based on the demilitarization of the college and its transition into a civilian institution. All discussions were based on the foundation of the principles of the July 19 agreement.

The minister was certainly prepared to continue those discussions with the province of Quebec. His counterpart in Quebec then leapt into the fray, and I believe the minister said yesterday, in answer to some questions, that the principles on which he and the mayor had been conducting their discussions were being — if I can use the word — "misrepresented" by Minister Beaudoin in Quebec.

At the moment, I believe Minister Massé has urged Madam Beaudoin to accept the principles contained in the July 19 agreement on CMR, in the hope that that would lead to an early conclusion of the conversations that have been making progress in recent weeks and days. We are very hopeful that a timely agreement can be reached; however, a better understanding must take place between the government of Quebec and the other partners to the discussion before that can go ahead.

**Senator Nolin:** The original decision of your government was motivated by financial restraint and required the fast closure of the college. Now your government is attempting to have discussions with the provincial government on a two-year closure of the college.

Are financial restraints no longer the motive of the government? What is the real motive of the government?

**Senator Fairbairn:** Honourable senators, as was the case some months ago, financial restraint remains fundamental to the consideration, not just of CMR but of other areas that were restrained and restricted and, in some cases, closed at that time. Financial concerns are still very much a part of the situation, as far as this government is concerned. Nonetheless, some ongoing discussions were bearing fruit up until Sunday. The hope is that the federal government will be successful in urging the Government of Quebec to get back on track, with a view to concluding an agreement that will be beneficial, not just to the Government of Quebec but especially to the community of St-Jean.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on November 29 by Senator Jessiman. I also have answers to two Order Paper questions in the name of Senator Marshall, but now standing in the name of Senator Berntson.

## THE BUDGET

REGISTERED RETIREMENT SAVINGS PLANS—
GOVERNMENT POSITION ON POSSIBLE CHANGES

*(Response to question raised by Hon. Duncan J. Jessiman on November 29, 1994)*

I wish to respond to the question presented on November 29, 1994 by my honourable colleague concerning comments made by Liberal M.P. David Walker, quoted from the November 28 edition of the Winnipeg *Sun*.

On the issue of Old Age Security discussed in the above mentioned article, I wish to state that Mr. Walker was speaking only in his capacity as a Member of Parliament. It has been stated on numerous occasions that it would be inappropriate for the Government to comment on any individual budget proposals or items under discussion in advance of the next budget.

While it is understandable and even expected for these types of national budgetary issues to be raised and discussed given the unprecedented open pre-budget consultation process that has been initiated by this Government, it is important to understand that the government's approval or disapproval of any individual measure will be made public only at the time of the budget's release, once all of the information arising from our extensive public consultation process has been reviewed and analyzed.

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

SECOND WORLD WAR—INFORMATION FROM SOVIET ARCHIVES
ON CANADIAN ARMED FORCES PERSONNEL
MISSING IN ACTION AT TORGAU

**Hon. William J. Petten (Acting Deputy Leader of the Government)** tabled the answer to Question No. 53 on the Order Paper—by Senator Berntson.

NATIONAL DEFENCE—ANNUAL MAINTENANCE COSTS
FOR SEA KING HELICOPTER FLEET

**Hon. William J. Petten (Acting Deputy Leader of the Government)** tabled the answer to Question No. 55 on the Order Paper—by Senator Berntson.

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# ORDERS OF THE DAY

## APPROPRIATION BILL NO. 3, 1994-95

THIRD READING

**Hon. Jean-Robert Gauthier** moved third reading of Bill C-63, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.

Motion agreed to and bill read third time and passed.

• (1430)

## DEPARTMENT OF INDUSTRY BILL

SECOND READING

**Hon. Michael Kirby** moved the second reading of Bill C-46, to establish the Department of Industry and to amend and repeal certain other Acts.

He said: Honourable senators, in June 1993, the former government announced a major reorganization which merged together the Departments of Industry, Science and Technology with Investment Canada and parts of the Departments of Communications and Consumer and Corporate Affairs. Bill C-46 formally implements that reorganization.

The bill gives a legislative mandate to a new and more efficient Department of Industry and gives the Minister of Industry and his deputy minister their powers, duties and functions.

The reorganization of the Department of Industry was adopted by the current government following the 1993 election as part of its major initiative to focus on developing small and medium-sized businesses.

The Red Book, which the government used during the last election campaign, acknowledged that the growth of small and medium-sized businesses is essential to creating jobs for all Canadians. The Speech from the Throne reaffirmed that commitment. Subsequently, strengthening the infrastructure in the business environment for small and medium-sized firms became an important focus of the government's first budget.

Under this bill, the Minister of Industry and his department will perform a variety of functions which strengthen the national economy, promote the mobility of goods and services across Canada, increase the international competitiveness of Canadian industry, focusing on services as well as products, and encourage the fullest use and development of science and technology by Canadian businesses.

The Department of Industry has already undertaken many high profile and important initiatives in the past 12 months. Currently, one of the projects under exploration, in cooperation with the Canadian Chamber of Commerce, is a study of the feasibility of developing a business network strategy. This measure would set up some 30 business networks across Canada to foster cooperation and collaboration among small and medium-sized firms with common business interests. Another initiative of this department is a pilot program under the Technology Partnership Program. It will explore the feasibility of incentives for universities to enter into partnerships with businesses in order to develop emerging technology for industrial application. A new fund has also been established to help expand existing businesses through the Federal Business Development Bank. The Canada Community Investment Fund has been announced with one of its aims being to ensure the availability of equity financing for smaller firms.

These four impressive measures I have just mentioned are but a few examples of the work which the Department of Industry has already initiated. I repeat, Bill C-46 gives the legal framework to a department that already has a clear and decisive plan of action.

To this point in time, the reorganization announced in June 1993 has gone well. Bill C-46 provides for a painless transition in creating a department which will achieve the objectives set out in the act. The text of Bill C-46 substantially reproduces provisions of the old acts that underlie the departments which have been merged into the new Department of Industry. The central idea was to preserve the status quo between the mandates of departments and minimize changes in order to provide for continuity in the functioning of the Department of Industry. Efficiency and certainty were given maximum priority in this reorganization.

As was clear in the government's Throne Speech last February, the government attaches top priority to the overall objectives of Bill C-46. Indeed, just a few months ago in Quebec City, the Prime Minister outlined the agenda he wants the new Department of Industry to develop in the interests of economic renewal. The priorities the Prime Minister outlined were: improve the business climate for entrepreneurs, help business profit from new technology, seek expanding markets and promote the tourism industry.

Bill C-46 meets all these objectives by bringing together under one department, under one minister, the key elements of economic development from the former Departments of Consumer and Corporate Affairs, Communications, Investment Canada and Industry, Science and Technology. Overlap and duplication are substantially eliminated. Administrative costs are substantially reduced. More coherent and effective policy development is encouraged.

Under Bill C-46, existing resources can be applied more efficiently and more expeditiously. One minister and one departmental team under one deputy minister will direct their efforts to achieving our economic renewal goals using the resources of what were previously several organizations.

I cannot think of a time when the duties of the minister responsible for industry have ever been so far reaching. In that sense, Bill C-46 is extremely remarkable because of its comprehensiveness. It gives all the tools needed for economic development renewal and economic development policy to one department. The result will be a department that will be able to focus fully on developing and carrying out coherent, efficient and effective policies for economic renewal.

Under Bill C-46, the educational and scientific communities, consumers, small and medium-sized businesses and tourism operators will all be able to look to one organization to meet their needs and concerns in the area of industrial strategy. They will no longer have to shop their concerns around to a number of different departments with different mandates. Meaningful and more efficient interaction between government and business is the result.

For example, by placing responsibility for consumer policy within the Department of Industry, it is guaranteed that a consumer viewpoint will be represented and have a place around the table when policies are established that impact on the Canadian market-place. In point of fact, Bill C-46 will provide for an integrated process in which consumer concerns are dealt with early in the policy development process, and in a much more effective way than was the case years ago. In this way, consumer protection efforts can now be concentrated on preventing problems rather than correcting them after the fact.

Consumers and businesses have an equal interest in ensuring the efficiency of the Canadian market-place. Consumer interests, for example, will help determine our course in areas of vital concern to all Canadians on issues like those related to biotechnology, the Labelling Act and regulatory reform.

There is clearly no room for overlap and confusion if Canadian companies are to compete successfully abroad. Technological advances move so fast, and are such an increasingly important factor in all our lives and in the competitiveness of Canadian business that Canada cannot afford to follow behind the pace of technology. The new department of industry has acted swiftly on this front, publishing a discussion paper earlier this year on the future of the information highway in Canada. Canadians must have access to the information highway. They must be able to get the information as cheaply as possible and, in the process, have their privacy protected. I cite the importance of the information highway to our country as one more example where our industrial strategy must be clear, decisive and informed.

• (1440)

Honourable senators, Bill C-46 is an absolutely essential part of giving the Department of Industry the legal framework, the legal sanction to carry out work that is vital to the future of Canada in a comprehensive, logical and informed manner.

In practical terms, Bill C-46 means that the Department of Communications Act and the Consumer and Corporate Affairs Act will remain in force in a skeletal form, but without the powers that are now to be vested in the Department of Industry. These acts will eventually be replaced as other departments that still require them — for example Health Canada, Heritage Canada and Agriculture Canada — revise their own legislation.

The Investment Canada Act is amended by Bill C-46 to remove the provision creating Investment Canada as a separate department. A director of investment will be appointed who reports directly to the Minister of Industry.

Responsibility for federal regional development activities in Ontario and Quebec remain, as they have been for some time, within the Department of Industry. There will not be separate legislation for the Federal Office of Regional Development in Quebec. The authority for regional development in Quebec will, however, be transferred by Order in Council to another minister once the bill has been proclaimed. This arrangement acknowledges the importance of regional development efforts by providing for a more effective and efficient means of program delivery.

Bill C-46 also includes a clause that gives the minister the power to fix fees for products and services sold by his department. These fees are not restricted to cost recovery or to fees for other government services. Consequently, this section may be a source of future funds.

Bill C-46 also confirms responsibility for aboriginal business development within the Department of Industry. It does not affect the independence of the Bureau of Competition Policy, which will continue to exercise its mandate under separate legislation. As well, it makes certain that the proper emphasis is placed on tourism as a vital part of the Canadian economy by making the Minister of Industry responsible for the tourism sector.

In conclusion, let me summarize by saying that, clearly, a strong economy is the essence of a strong society. The principal aim of Bill C-46 is to bring together in one department the key tools which government requires in order to help ensure the future strengths of Canada's economy. It is much more than merely a cost-cutting bill, although there are significant costs to be saved, and further savings are expected as the departmental organization is fine-tuned.

Bill C-46, as laid out in the government's platform in the last election and in the Speech from the Throne last February, is an essential part of this government's economic strategy because of its focus on small and medium-sized businesses. It is also an essential part of the government's economic strategy because it offers a streamlined, smaller and more efficient government which is, in fact, what Canadians want. That is what we believe this bill is delivering, and that is why I believe this bill ought to be supported by the Senate.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, as has been said by my honourable colleague, this is one of several bills dealing with the reorganization of government. I spoke at length on one of the earlier bills last week. I think I characterized it as my umbrella speech dealing with all of these reorganization bills.

I raised a concern at that time, honourable senators. I raise it again now, and I hope to find the answer in committee. My concern deals with the removal of the prior obligation to table before Parliament an annual report on the operation of the department. I am told that virtually all of the bills dealing with this reorganization have in some way modified the requirement to table that annual report. There may be other questions in committee, but, by and large, there is no particular difficulty with this bill or most of the other reorganization bills. We still have a problem with the reorganization bill dealing with Public Works, but we will deal with that when it comes forward. From our side, we would not object to this bill going to committee now.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Kirby, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

## ALTERNATIVE FUELS FOR INTERNAL COMBUSTION ENGINES BILL

SECOND READING

**Hon. Colin Kenny** moved the second reading of Bill S-7, to accelerate the use of alternative fuels for internal combustion engines.

He said: Honourable senators, the purpose of Bill S-7 is to accelerate the move to alternative-fuel vehicles in Canada.

The problem we face with alternative-fuel vehicles is a simple one. It is a chicken and egg problem. Manufacturers say they cannot manufacture alternative-fuel vehicles because customers choose not to buy them. The reason customers choose not to buy them is that they cannot get them refueled. People who provide the fuel say they would install more refueling stations or more refueling capacity if only there were more alternative-fuel vehicles to use the refueling stations. Thus, you have a circular argument where no one proceeds any further.

The purpose of this bill is to break that log jam. The federal government purchases and operates roughly 39,000 vehicles. It is my hope that with this bill we can gradually convert 75 per cent of the federal government fleet to one form or another of alternative fuel and use that as the core to break the cyclical argument.

• (1450)

This proposal calls for two years of study and then a gradual phase-in, until the year 2004, of alternative-fuel vehicles. By the year 2004, 75 per cent of vehicles purchased by government will be run on alternative fuels.

The bill itself is fuel neutral. It does not choose between ethanol, methanol, natural gas, propane, hydrogen, or electricity. It leaves it open to the market-place to decide which of those fuels is best. In some regions, certain fuels will clearly have an advantage over others.

The proposed act is also an important first step for the government towards meeting its real commitments. It will help clean up carbon dioxide and other greenhouse gases. It is also an opportunity for the government to save money in a variety of ways.

As we all know, alternative fuels tend to be cheaper than gasoline. If a medium-sized vehicle or larger is driven 20,000 kilometres per year or more, there is likely to be a payback within two or two and a half years. It is reasonable to assume that, if the government could convert 75 per cent of its vehicles to alternative fuels, by the year 2004 it would save $7 million per year, even after the cost of conversion or up-fit, or the additional costs which would be incurred in purchasing vehicles designed to run on alternative fuels.

In order for this program to be effective, the government must reduce its outrageous menu of vehicles. Presently, the government purchases 106 different makes and models of cars from different manufacturers. On the face of it, this seems to be an outrageous number which can be vastly reduced.

The Auditor General, in his 1992 report, was very critical of the government for not significantly reducing the number of makes and models of vehicles that it purchases. He suggested, as an example, the method of selecting and purchasing vehicles used by the RCMP. Honourable senators may have noticed their vehicles on Parliament Hill. They are the same type of vehicle the RCMP use in Regina, in Victoria, or in Saint John. That police force uses a common vehicle right across the country. When they make a bulk purchase, they benefit from cost savings. In addition, that leads to administrative savings and significant savings on maintenance.

There is no reason why the federal government cannot follow the example of the RCMP and reduce the types and makes of vehicles it purchases. The purpose of reducing the types and makes is that it will be necessary, ultimately, for manufacturers to start producing originally manufactured alternative-fuel vehicles.

This bill, however, does not call for that; it simply calls for the government to operate vehicles fuelled by alternative fuels. It can do it by up-fitting, it can do it by converting or, once they are available, it can do it by purchasing originally manufactured alternative-fuel vehicles. If, at the same time, the government could reduce the size of its fleet, it would save money. If it were ordering more of the same types of vehicles, then manufacturers could economically start to produce them for alternative fuels.

One of the beauties of this bill, from my perspective, is that the government is leading by example. We are not talking about the government telling people how they should run their lives; we are talking about the government getting its own house in order and demonstrating, by its example, that alternative fuels work, that they will save money, and that they will clean up the air.

If the federal government did proceed along these lines, by the year 2004 it would have over 30,000 vehicles operating on alternative fuel. They would cause, in turn, just by their very use, an expansion of the refuelling infrastructure. They would also create an opportunity for manufacturers to increase the number of vehicles they produce which run on alternative fuels.

When this bill is referred to committee, we will have an opportunity to examine a variety of issues which relate to alternative-fuel vehicles. First, how well do alternative-fuel vehicles function compared to gasoline-powered vehicles? Do they start as efficiently? Do they work as well in hot and cold weather? Do they accelerate as well? Do they require refuelling more often? Does the fuel tank require extra space?

Second, I would expect the committee to examine the refuelling infrastructure of various alternative fuels. How good is the distribution compared to gasoline or diesel fuels? Are there specific regions where certain fuels have an advantage over others? How well will urban areas be taken care of with alternative fuels? What risk does a driver have of running out of an alternative fuel on the highway? What supply systems can be established for small or remote fleets?

Third, I would expect the committee to examine the financial cost benefit of each alternative fuel. How much more does it cost to purchase an originally manufactured vehicle? How much does it cost to convert or up-fit a conventional vehicle? How much will be saved on fuel over the life of the vehicle? How long does the payback take? Are there any extra maintenance or refuelling costs? Are there higher or lower resale values? Will fuel suppliers cover the cost of conversion and recover it out of fuel sales?

Incidentally, this is similar to a program which the federal government has just recently entered into called the "FBI" program. Companies will come in and insulate federal buildings at their own cost, and recover their costs out of fuel savings down the road. There appear to be many alternative-fuel suppliers who are prepared to convert government vehicles at their own expense and recover the costs out of the savings in fuel costs while the government uses the vehicle.

Fourth, the committee will require to examine what the environmental benefits are of each fuel as compared to conventional gasoline.

Finally, I would expect the committee to examine what special offers or incentives various manufacturers or fuel companies might make to assist the government in converting to alternative fuels.

[*Translation*]

**Hon. Pierre Claude Nolin:** Honourable senators, I, too, want to be brief; I do not intend to repeat all the arguments of my colleague.

When Senator Kenny showed me his bill, I felt it was important for the Senate to address this problem. I was not aware that the Government of Canada owned a fleet of some 40,000 vehicles including more than 100 different models.

During consideration of this bill, it will be interesting to examine the various avenues open to the owner of such an important fleet of vehicles, not to mention the financial and environmental savings. I think that this is a major bill, given today's scientific advances which offer us alternatives to conventional energy sources.

• (1500)

I personally support this bill and look forward to doing some interesting work on the committee that will study it.

[*English*]

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Kenny, bill referred to the Standing Senate Committee on Energy, the Environment and Natural Resources.

## CANADA'S DEFENCE POLICY

REPORT OF SPECIAL JOINT COMMITTEE—
DEBATE CONTINUED

On the Order:

> Resuming the debate on the consideration of the report of the Special Joint Committee on Canada's Defence Policy entitled "Security in a Changing World," tabled in the Senate on October 31, 1994.—(*Honourable Senator Forrestall*).

**The Hon. the Speaker:** Honourable senators, is it agreeable that we proceed with another speaker and allow the matter to remain standing in the name of Senator Forrestall?

**Some Hon. Senators:** Agreed.

[*Translation*]

**Hon. Jean-Louis Roux:** Honourable senators, with Senator Forrestall's consent, let me join my colleague Senator Gigantès on the subject of the report from the Special Joint Committee on Canada's Defence Policy. I realize that what I am about to say is unusual, if not unheard of, in this chamber, but I owe it to my conscience and also to the hundreds of thousands of Canadian citizens who are pacifists at heart and who want everyone in the world to live as brothers and sisters, regardless of national boundaries.

[*English*]

I am a strong advocate for a new vision of Canada's security interests. I believe that Canada can no longer afford to apply the methods and doctrines of the past to modern problems.

Having said so, I do not wish to suggest that Canada's record is anything less than exemplary. I know that Canada has distinguished itself in its dedication to international security in many conflicts and through its exceptional peace-keeping record. I received military training in my youth, and I have nothing but respect for the many veterans with whom I have had the honour to serve in this chamber.

At the outset of this parliamentary exercise, I was encouraged to note an acknowledgment on all sides that Canada's defence — that is to say security — requirements should be considered in the context of a new world, free from the threats posed by the bi-polar system of the Cold War era.

The report of the special joint committee includes the following observation in its introduction:

> This is not a time to repaint the status quo — it is a time to question old premises and look for new ones that are appropriate to our country in a world that in itself is remarkably new.

It was with some considerable disappointment, then, that I read this report and found it full of militaristic and war-like terminology. The unhappy result is that the report reflects much of the old wisdom on Canada's security needs. The opening premise of a new world order leads to no logical conclusion. I believe we need to review our perspective on these matters. We tend to conceptualize these questions in terms of confrontation; a basically militaristic attitude prevails.

Indeed, our concept of security for the last 2,000 years has been dominated by the famous motto of Vegetius, a Roman general of the fourth century. "*Si vis pacem, para bellum.*" or "Let him who desires peace, prepare for war." We need to change that way of approaching the question of security.

Bereft of the so-called "devil" embodied in the Soviet threat, our military minds seem to need to find new evils for themselves, new specific enemies to defend against. We need to give up that way of thinking. We need to focus on cooperation and dialogue. After all, war is not necessarily an inevitable result of differences. We need to refocus our minds, not on defence but on the broader concept of security, be it in the form of feeding the hungry, eliminating violence against women and children, working towards fair trade practices that enable third world countries to develop, or sending peace-keepers, not combat soldiers, abroad.

"Security" above all is prevention, not intervention.

[*Translation*]

It can prevent, but it cannot cure.

[*English*]

We must concern ourselves with social injustice which can only lead to social disorder. We now have much more to fear from underdevelopment than nuclear missiles of a potential, imaginary enemy.

Permit me to comment for a moment on the issue of training. The young men and women of our Canadian Forces must be prepared not only to defend themselves and their country but also to create a good rapport with their fellow citizens and with the inhabitants of countries wherever they are called upon to serve.

In my opinion, the type of obligatory service suggested by Senator Grafstein is not the best route. I would suggest an emphasis on organizations like Katimavik and Canada World Youth. This type of voluntary community service, if better funded and promoted, would result in a pool of talent from which we could draw when necessary to defend Canada's interests at home and abroad.

There should be a more cooperative approach by the department. For example, the Department of National Defence should obviously be working very closely with the Department of Foreign Affairs in its efforts to evaluate and respond to Canada's security concerns. Cooperation with the Coast Guard and with our customs personnel should be improved. Duplication of effort should not be a cause for waste of precious public resources in a time of such restraint.

The Department of National Defence should also intensify its cooperation with non-governmental organizations like the Red Cross, Amnesty International, Canadian Quakers, Médecins sans frontières, and the many relief agencies that operate around the world to provide food, water and medicine to the desperate. This could be a useful alliance. After all, these organizations are often on the ground long before the military, and can bring a great deal of experience and insight to a given situation.

For example, Ursula Franklin, a professor at the University of Toronto tells us in an interview in *Peace Magazine* that several international organizations warned about Rwanda, and in the case of Somalia they pleaded against the sending of troops. We would have done well to heed their warning.

Senator MacEachen pointed out some differences between this report and the report of the Special Joint Committee Reviewing Canada's Foreign Policy, and I think it is constructive to revisit them. First, he suggested that his report differed from this in that the foreign policy report was able to describe the "broader concept of security and to recognize the growing importance of non-military factors." Second, his report "reaffirms the central role of the UN in security matters" and considers that UN reform is vital in this regard.

Finally, and perhaps most interestingly, the foreign policy report concluded that "peace-keeping should be the primary international role of a more specialized Canadian Forces." I would be inclined to favour this view rather than the view that Canada's forces should be equipped and trained to cope with any imaginable situation. We can meet the diversity of challenges to our security through corrective effort rather than by duplication of resources.

[*Translation*]

In May 1993, an Angus Reid/*Le Soleil* poll found that 68 per cent of Canadian citizens, and 85 per cent in Quebec, were in favour of cutting spending at the Department of National Defence. In fact, the department has reduced its budget in recent years. However, the report's figures give a distorted picture of the situation. On page 25, Figure 2 shows a reduction in spending compared with the forecast in the 1987 white paper and not compared with real spending. The report says that between 1988-89 and 1998-99, cumulative spending cuts will total $21 billion.

Statements like these are misleading. They attempt to prove that there has been a spectacular reduction in defence spending, even though it was only about 9 per cent. I am sure we can do better, especially when we are thinking about slashing social programs we apparently can no longer afford.

[*English*]

The Finance Minister is looking for an extra $9 billion to cut from next year's budget. I say the Department of National Defence is a good place to start. We can go a lot farther than we have already gone. The Auditor General, for instance, has identified, most recently, a number of examples of waste in the Department of National Defence. He has suggested that the department has failed to capitalize on a potential $700-million savings due to the implementation of information technology projects.

• (1510)

He also suggests a further $30 million per year could be saved by employing a more rational use of telecommunications. While the Department of National Defence represents only about 10 per cent of program spending by the government, it currently spends about 30 per cent of the government's information technology budget. Clearly, we have not exhausted the possibility of savings in this department.

One area that I believe has been underexplored is that of weapons acquisition. In recent analyses, emphasis has been placed on structure and composition of the department. We must also examine the kinds of materials we are purchasing, and what our needs really are in this regard. Here, we are trying to find $9 billion to cut from the budget to meet the deficit targets of the Minister of Finance. Where are we looking first? We are looking to our social programs. That is a shame. A more rational use of resources would allow us to reduce the deficit, make provision for our continued security, and still soften the blow of budgetary restraint on the least privileged members of our society.

I say that defence, in particular the acquisition of offensive weapons when we already have so many, should be first on the block when it comes to cutting the deficit.

[*Translation*]

You are no doubt aware of my interest in cultural policy. I am aghast to see the steady deterioration of our great cultural institutions, including the Canadian Broadcasting Corporation, the Canada Council and the National Film Board, to name only a few. I am afraid that our identity as citizens of this great country called Canada may go the same way. What will be left to defend on the day we have lost our identity, after abandoning our culture? I would say culture is even more important than defence, and costs a lot less. The ancient Greeks may have lost the war against the Roman Empire but at least their culture prevailed. That is something to consider when deciding where to invest our peace dividends.

[*English*]

The committee concedes that Canada's need to purchase equipment to deter attacks and defend itself against nuclear weapons has expired. However, no other reassessment of matériel requirements seems to have been made. I contend that, in this dramatically new world, Canada needs to concern itself

less with the defence of its own borders and concern itself even more than it has with the establishment of an effective method of ensuring international security. It is international instability much more than any threat to Canada's own borders that must concern Canada.

As our esteemed co-chairman, Senator De Bané, said in the committee when I appeared with Pierre Jasmin, President of Les Artistes pour la Paix:

> Canada has a vital interest in ensuring that any conflict, no matter what part of the world it occurs in, is dealt with.

I believe that Canada's Armed Forces need less and less to acquire and maintain offensive weapons. We should streamline our expenditures and focus on equipment that will allow Canadian peace-keepers to carry out their duties in relative security. The recently released white paper seems to agree with this point. On page 14 of the French version, the minister acknowledges that Canada has already made such choices in the past. For example, Canada does without aircraft carriers and medium-lift helicopters. It will have to learn to do without more of these kinds of offensive instruments of war and rely on tools of peace-keeping and defence.

The point is that there are significant economies to be realized by foregoing the purchase of offensive and expensive weapons. Furthermore, rather than duplicating the defensive capabilities of our allies, Canada can profit from making its defences complementary to them. The committee itself acknowledged that the United States has an interest in defending Canada, should the need arise. Despite our vast territory and sparse population, Canada need devote few resources to the defence of its sovereignty since we face little threat of invasion. Moreover, in the event of an invasion of Canada, the United States would be our ally and our only hope, whether or not we reduce our defence budget.

Finally, on the aspect of military weapons, I find it ironic that, at the same time as the Government of Canada is taking steps to impose stringent new controls on weapons in Canada, we still have Canadian companies producing offensive weapons en masse for military purposes. If we are a peace-loving nation, we should not have any need for such weapons. We certainly should not be contributing to the world's arms race.

This point leads me to the subject of defence conversion.

[*Translation*]

Neither the report of the joint committee nor the white paper published recently by the Minister of National Defence gave any serious thought to the problem of defence conversion. They merely stated that this was an important matter since our security needs were changing. These documents, however, failed to make any specific proposals for helping these industries adjust to the new realities of our planet. However, we cannot keep supporting an industry that prospered because of the armament requirements of a bygone era. We must help these industries diversify and apply their technology and expertise to civilian production. The fact is that a significant share of research and development funding is directed to the defence industry. If we do not deal with the problem of defence conversion, Canadian industry as a whole, and not just the sector that meets the alleged needs of our national defence, will suffer.

[*English*]

Honourable senators, I think we may have fallen into the trap of applying tried and true methods to new and unknown situations. Our fiscal reality makes our current level of defence spending unsustainable, and our security needs are not squarely addressed by the report.

I have not had ample time to review the white paper, but I fear it is not a profound improvement on the committee report. We need to cut further and apply our resources to the real and significant threats — international conflicts and instability.

We cannot afford to continue to spend $11 billion annually to defend against an invasion that will never happen. I disagree with Senator Grafstein when he suggests that we should be prepared to deal with two or three situations of mass civil unrest while participating in two or three major multinational forces. With all due respect that seems, to say the least, improbable.

[*Translation*]

The precarious state of our finances has made it necessary to husband our resources and use them more effectively through our membership in organizations like the UN. Our aim must be to prevent conflicts and tensions everywhere on our planet; conflicts and tensions that may harm us either indirectly because of their disastrous economic impact, or directly by destabilizing security throughout the world.

**Hon. Philippe Deane Gigantès:** Honourable senator, I want to ask you a question. I congratulate you for your comments which, as you know, were more eloquent than mine on this issue. I do hope that you will continue to refer to the Greek authors, because Senator Lynch-Staunton is tired of hearing me quote my ancestors. Again, I hope that you will take over. Do you promise to do that?

**Senator Roux:** I will.

**Hon. Michael A. Meighen:** Honourable senators, I want to say a few words on the report of the joint committee, on which I had the pleasure to sit during the spring and summer.

I listened with great interest to the comments made by Senator Roux, whom I admire a lot. I want to congratulate him for the high intellectual quality of his presentation. I think that he will disagree with me just like he disagrees with Senator Grafstein, but the views of everyone are necessary to reach a consensus. I am anxious to read his whole presentation.

I also want to congratulate the co-chair of our joint committee, Senator De Bané. He is a long-time friend, in fact since we studied law together at Laval University. I have always had a great deal of respect for his personal qualities.

[*English*]

Throughout our travels, and through the long hearing process, his even-handedness, his sense of fairness, and his ability to grapple with a very complicated subject-matter served the Senate and, indeed, the committee very well.

I, of course, associate myself with the remarks made by Senator Sylvain the day before yesterday when he spoke of the important contributions of Senators Kenny and Forrestall. I would add the contribution of Senator Sylvain. Honourable senators, his remarks caused me to harken back, in my mind, to the first speech I ever made in this chamber. I have not made many. At that time I indicated that I thought the Senate worked best when it worked in a non-partisan fashion. Then I was sitting where my honourable friends now sit. Senator Frith was not long in coming to me to remark, "Isn't it funny how non-partisanship always commends itself to the government?" Now that I am in opposition, non-partisanship in the Senate still commends itself to me. That is how we can work best.

Certainly, it is fair to say that members of the committee achieved a remarkable degree of non-partisanship. I hope that the fruits of our labours will be judged, with the passage of time, if not to be equally remarkable, at least to have been of some use.

The committee learned a great deal not only about Canada's armed forces but also about the reputation they enjoy throughout the world. In discussions at NATO headquarters in Europe, at the United Nations, at the Pentagon, at NATO headquarters for the Atlantic in Norfolk, Virginia, at NORAD headquarters in Colorado Springs, and during our visit to the United States Third Fleet in San Diego, the theme was always the same: Our allies hold Canada and its military in high esteem.

I sometimes think that others know and appreciate our contributions to the world better than do Canadians themselves. After all, it was through our military involvement in war, however regrettable, that we truly gained independence from Great Britain when we declared war on our own and when our troops fought under the command of Canadians.

Since the writing and tabling of the report of the special joint committee, the Special Joint Committee on Canada's Foreign Policy has also reported. The government has seen fit, very quickly I might add, to produce the defence white paper. I believe the government is to be congratulated for taking most of the ideas found in the defence committee report and adopting them in the white paper.

Before I discuss in some detail my main preoccupation during this exercise, that is to say the future of Canada's reserve forces, I would point out some areas of the committee's final report which should be emphasized.

It became evident that the committee would have to come to grips very early on with the issue of world stability and what the Canadian military means to Canada's place in this world. Both the special committee on foreign policy and that on defence concluded that while the Cold War has ended, wars, in general, unfortunately continue. Indeed, the tension produced by the Cold War which prevented the outbreak of full scale war has moved into other areas.

Instead of the tension resulting from the threat of total nuclear annihilation, we must now deal with regional pockets of stockpiled nuclear and conventional weapons; tensions of many ethnic, religious and territorial conflicts spread throughout the globe; dangers to democracy and market reform in the former U.S.S.R. and elsewhere; and, lastly, economic dangers which could result if Canada is unable to remain economically strong and globally competitive.

As a committee, we concluded that the world is still an unsafe place and that there is virtually no way to predict where the next conflict will erupt nor what form it may take. In this connection, I congratulate Senator Kenny on his remarks yesterday, and I associate myself with his analysis of that particular problem and situation.

Having arrived at that conclusion, when we moved to consideration of the question of Canada's role in this unstable and unpredictable world, committee members had a choice to make. There are those — indeed some in this chamber — who see no need for Canada to have a combat-ready or combat-capable military force. Why do they believe this? It would seem, at least to me, they feel that Canada is not under any direct threat and that, because of our geography, we cannot totally defend ourselves by ourselves; they, therefore, conclude that we should give up on defence and turn it over to someone else, presumably the United States.

Honourable senators, I submit that that is an unacceptable proposition to most Canadians. Does Canada not owe a duty to the world beyond its borders? Does Canada not owe a duty to itself, if not to others, to seek to shape the world in its own interests? Is there no pride in the fact that, when a crisis develops, one of the countries whose troops are most sought-after for help are Canada's? What do these minimalists care about Canada's place in the world community? Obviously not much. They would have the UN and NATO and countries with whom we trade say, "Do not call Canada," and particularly, "Do not call if the going is tough."

Honourable senators, Canada must assume its responsibilities on the world stage. We are a member, after all, of the G-7, of the UN and of NATO. We were founding members of the latter two organizations. We have an economy built on trade. By definition, that means we are obliged to interact with the rest of the world. Having military forces which can respond when called upon to defend our interests and those of our friends and allies are the dues we pay for the place we occupy on the world stage.

We have no choice, honourable senators, but to rely on alliances, especially with the United States but also with other countries, to defend our own country. That has been the case for many years. However, we have an obligation and a duty which goes beyond our borders. We have a proud history of contributing troops to fight in the name of freedom and to preserve peace throughout the world. We will continue in this direction; and I am proud to say that that was the conclusion of our committee.

Even so, we did recommend reductions in our CF-18 squadrons. These planes will be kept in warm storage, ready to be reactivated if and when needed. We believe in Canada's place in the world, and we do not propose to cut our entire capability.

Based on these arguments, it was determined that Canada should continue to have a military that was unified, properly equipped, combat-capable, multi-purpose and, I might add, affordable. This will allow Canada to continue to occupy its rightful place as a country contributing to global peace and prosperity, security, and to the improvement of the human condition. However, in order to implement this recommendation, we had to look carefully at the budget for DND to see how this military would be afforded. We had to look at the strength and effectiveness of our armed forces, and the number we can put into the field as compared with the number who remain at headquarters. Finally, we had to consider the condition of our military, both in terms of lack of appropriate equipment and the time spent in the field by too few regular and reserve forces.

• (1530)

It was on the committee's trip to Bosnia and to our peace-keepers in the Adriatic when most of us began to really appreciate the contribution made to world stability by the men and women of our armed forces. At the time we visited, which was obviously a little more peaceful than it is now, we saw our troops helping not only with the establishment of peace between warring factions but also with the provision of humanitarian aid. I suppose this was a unique situation in that there were not the usual two warring factions but three, all of whom spoke the same language, all of whom looked much the same, and all of whom had lived with each other for centuries. We came to know, firsthand, the problems encountered by our forces as they coped with inferior equipment and lack of essentials.

One version of our report, unfortunately not the final one, made reference to the fact that when the tours of duty ended, our troops had to exchange helmets and flak jackets with those of our troops who were relieving them because there were simply not enough to go around. That made me realize that the committee had no choice but to strongly recommend a refocusing of military expenditures.

As well, more troops had to be put into the field, especially to bolster our land forces, so that the tours of duty of our men and women would be reduced from one in three to one in five. One in five is the present defence department policy, but, unfortunately, not the practice. At present levels of tours of duty, the stress on families and morale just simply cannot be sustained.

Our analysis of the situation in relation to equipment and manpower needs were confirmed by witnesses, as honourable senators have heard, such as retired Major-General Lewis MacKenzie. He made the point that the demands on our forces would not diminish and, as such, we must reallocate some resources to the Army in order to give them the best chance to endure in the operational settings of the future. In fact, according to Major-General MacKenzie, the savings achieved by cutting back on the use of the F-18s, which we suggested, would equal 4,900 more combat soldiers and 714 new Canadian-built armoured combat vehicles, the ACVs, which would more adequately serve to protect our troops.

The committee agreed with his assessment and set about addressing what it considered to be the priorities for our military and how scarce resources should be reallocated to meet those priorities. While there are differences between the committee report and the white paper, I think they are more differences of degree than of substance. Both reports agree on the need to maintain multi-purpose, combat-capable air, land and sea forces. The white paper, however, calls for greater cuts than those envisioned in our report with respect to both the defence budget itself and the size of our forces.

Our committee suggested that the planned reduction of the forces to 66,700 by 1998 represented a minimum size which would permit Canadian forces to be effective in fulfilling domestic and international duties. The white paper now calls for greater reduction in force sizes, to 60,000 by 1999. It also calls for cuts to the primary reserves, which will result in a primary reserve force of only 23,000.

Although these are certainly significant reductions in military personnel, the White Paper also concluded that the committee was correct in recommending an increase in the number of deployable troops. It recommended 3,000; whereas we had recommended 3,500. I fear that even 500 fewer troops in the field may well be a decision that we will have cause to regret.

Both reports recommended substantial changes to the command and control structure of our armed forces. Those of our committee go much farther, however, than the white paper recommendations. If the committee's recommendations had been followed, I believe the end result would have been more beneficial and more cost-effective to the functioning of the military.

For example, to ensure that more of our troops are in the field rather than behind desks, we recommended cuts in headquarters staff. Almost from the beginning of the hearing process, the committee in general, and I must say myself in particular, became concerned about the size of the Department of National Defence, which numbers about 71,000 people, compared with the number of troops that we could put into the field at any one time, which is between 3,500 and 7,000. No one could give us a definite figure. Whether you choose 3,500 or 7,000, it seems to me a very small percentage of 71,000.

The white paper is unclear as to what the government intends to do with command and control. It says that it will institute a new command and control structure by 1997, and that one layer of headquarters will be eliminated. Unfortunately, there are no details as to what this means or what will be the end result; or what savings will be achieved.

The paper also states that the overall number of civilian employees will be reduced to 20,000 by 1999. That is all well and good, but who knows how many people work at headquarters, or how these suggestions will affect the military?

Moving on to equipment, both reports address this issue. I do not want to list all the recommendations in this regard. Suffice it to say that everybody agrees that the capabilities of our armoured personnel carriers must be brought up to standard, and quickly. The white paper does address this, but there seems to be no real sense of urgency.

From our experience, honourable senators, I can tell you that, in Bosnia at least, our present armoured personnel carriers, or APCs, are woefully inadequate, and more lives will be lost if the situation is not corrected soon.

I should like to say a few words about the purchase of submarines. During the committee's travels to SACLANT headquarters in Norfolk, Virginia, the importance of submarines for peacetime, as well as for war fighting, was stressed. They do provide an additional dimension to drug interdiction and fisheries surveillance of our three coastal areas. In short, they are an essential core capability of the Maritime forces and are of strategic value to Canada's ability to exercise sovereignty over the Arctic environment. They require a small crew and are relatively inexpensive to operate, at less than one-third the cost of one of our modern frigates.

In the end, after much hesitation, I became convinced that we should maintain our longstanding submarine capability, albeit on a reduced basis and on certain conditions. This found its way into both committee reports. I was especially pleased to see it in the white paper, which recommended the purchase from existing budgets of three to six modern, diesel-electric submarines, most likely the Upholder Class submarines from Great Britain.

I do wonder, though, honourable senators, about the timing of this and whether, in fact, the submarines will be able to address Canada's unique Arctic environment. If the government does decide to proceed, I trust that it will ensure that these submarines can perform the tasks that will be required of them under the Arctic ice. The government should know that Canada is a world leader in the technology which would adapt these submarines for use in Canada's extreme weather conditions; technology such as the air propulsion systems.

In making a decision, the government, like any government, must attempt to strike a balance between fiscal constraints and military needs, keeping in mind that, once lost, a core capability is both difficult and expensive to reacquire.

I should like to turn now to a subject which occupied a great deal of my time on the committee, that is, the reserves. Although I am somewhat uncertain as to the source of my own interest in the reserves, never having served, it is no secret that much of the credit must go to my own father-in-law Richard Dillon, Honourary Colonel of the Royal Canadian Regiment. As a reservist himself, his familiarity with the problems associated with the reserves has been a great help to me and, I believe, to the committee.

The Canadian Armed Forces in times of war, in times of crisis, have traditionally relied heavily on the deployment of reserves. This goes back to the earliest of colonial days. The majority of Canadian men and women who took part in the First and Second World Wars were not part of Canadian regular forces. Indeed, in more recent operations, Canadian units under the auspices of the United Nations contained as high as 42 per cent reservists. Reservists average approximately 18 per of all units involved in Canadian international peace-keeping missions.

• (1540)

Reserves also form the link between the military and the general public. They illustrate on ceremonial and other occasions a commitment to duty and citizenship. In 1971, the concept of total force was introduced in order to give reservists a unique role in the military, a role all to themselves, to augment the functions performed by the regular force. Although this concept was redefined in 1987, it has never lived up to its potential, leaving both regulars and reservists disappointed.

On top of the confusion created by the total force idea came the Auditor General's 1992 report which severely criticized the way the Department of National Defence was dealing with reserves. According to the Auditor General, reservists were ill-trained, ill-equipped and unreliable, and could not be counted upon to show up for either training or combat — a pretty damning indictment. May I say as an aside that the 1994 Auditor General's report indicates that definite improvements have been achieved over the past two years.

It was in this light that the special joint committee commenced its consideration of the reserve issue. Witnesses appearing before the committee, while praising the contribution of reservists, cautioned that if they were to continue, two issues must be addressed: availability and better delineation of the tasks to be performed.

As to the question of availability, the committee struggled with this for some time. Two facts were important to the decision: First, for every reservist needed to serve in a Canadian international peace-keeping unit, the Canadian Forces received three to four requests from reservists willing to serve our country abroad. Second, a great number of trained reservists are unavailable for active duty for one reason or another. In the end, we were persuaded by the Canadian Forces Liaison Council that legislation making it mandatory for reservists to report for duty would be counter-productive; employers simply would not hire reservists. I hope the liaison council is right, and I think they are. However, if they are wrong and difficulties arise, the council should feel free to change its mind and to request enactment of this legislation. Hopefully, the government will take the lead by giving to reservists adequate leave for training when called upon to serve.

In order to address the tasks for the reserves which arise from the new demands placed on a smaller regular force, the committee hit upon a number of solutions, some of which address the issue of command structure. The role of the reserves will be strengthened by better matching their civilian skills to military needs. This is being done now with the communication groups, in the air command, and with reserves tasked with responsibility for mine-sweeping.

This skill-matching should be undertaken to a greater degree in the militia. However, the militia would continue, and should continue, to focus on its traditional combat arms roles. The ultimate purpose of the militia is to serve on active duty, and it should be organized, manned and tasked to do so.

Thought should also be given to combining some of the reserve regiments and putting training facilities in the suburbs, close to people who could potentially be recruited as reservists. This is inevitable. There are simply too many reserve units in Canada with too few reservists. I know traditionalists in the military will be critical of this position, but they have to be realistic. If the reserves are to continue to be a useful part of the military, changes must take place. Small, more rural regiments will have to become units of larger metropolitan regiments. There is no reason for the absorbed units to lose their historic names and identities; however, they will have to exist within a larger regimental structure.

We should look carefully at the command structure of reserves. Who should be responsible for the reserves in a particular area? There should be closer ties between the reserve units and the regular units in particular areas of the country. Reserve and regular units should train together. We should also look at the potential to have a reservist command a regular unit, just as a regular unit could command a reserve unit.

I see from the 1994 Auditor General's report that the land force command has instituted total army establishment under which militia units are to be assigned specific training missions. This will allow individual unit members to augment regular force units. This sounds good to me.

I believe the committee's recommendation on the subject of short-term contracts for those entering the military, which has been endorsed in the white paper, will be of particular help to the reserves, the idea being that when someone finishes a five-year contract, they would go into the reserves. This should build up the numbers of the reserves with those who are physically fit and willing to serve their country. People serving on contract could be kept on in the military if both parties are agreeable. It is my opinion that the option of a military career is not thwarted by this recommendation of short-term contracts.

It is also my hope that the government will look to the reserves or to the military as vehicles which could help Canada's youth. I am not recommending compulsory military service of Canada's young people through enrolment in the reserves; however, it is in the best interests of the country and the military to facilitate youth involvement by making service to Canada attractive.

In his evidence before the special joint committee, Colonel Dillon brought to the attention of members a proposal from the Royal College of Defence Studies in Great Britain entitled, "Service For The Nation." The thrust of this proposal was that all British males and females would be asked to give one year's service on a volunteer basis to the nation between leaving school and the age of 25 — not necessarily one year's service in the military, but one year's service. This program, although it has not been implemented to date, was designed to give a focus to the alienated, unemployed youth of that country.

Another example by which youth could become involved in the reserves, to their mutual benefit, was presented to me by a distinguished Montreal soldier, Colonel J. Wolfe. It involves summer training for young people conducted by and through the reserves — perhaps 100 candidates per large reserve unit and 40 candidates per independent unit, for a total of some 5,000 to 7,500. Summer training would be aimed at high school graduates or university students who would be paid for their successful participation in the course. The recruit would be quickly brought up to military standards and could ideally operate in some peace-keeping situations.

If the recruit wished to continue in the program, he or she would be required to participate in local regimental training and activities of the regiment during the winter months and the following one or two summers in a more intensive program of military activity. The training facilities are there. The infrastructure is there. They are both ready and available to be used. The training could be constructed through the use of both regulars and reservists which would help to keep the overall cost down to a minimum. I believe such a program would not only provide military training but would also help our young people learn self-discipline, a variety of trade skills and the meaning of citizenship.

It is my suggestion, honourable senators, that the Government of Canada review its youth programs with the objective of involving the young people of Canada in one or more of the training programs offered by Canada's military. For a guide in doing this, the government could revisit its Youth Training and Education Program, known as YTEP, which was popular in the 1980s. It included a three-month program of military training followed by nine months of trades training. I know, from speaking to both participants and people in the military, that it was considered to be of great mutual benefit.

In relation to the reserves, I am heartened by the recommendations of the white paper. Even though the end result would be a smaller reserve force, I believe it would be a force which would have meaningful tasks to perform.

Honourable senators, it is important to realize that the four levels of mobilization contained in the white paper can only be accomplished with the active involvement of the reserves. The first stage includes training and preparation of reservists to augment the regular force. The second stage, force enhancement, directly involves reserves playing the role of augmentation. The third level force expansion would probably mean the involvement of supplementary reserves. Finally, national mobilization — perish the thought — would put us where we were in the Second World War when there were many more reservists in action than there were regulars.

• (1550)

With this mobilization plan as a base, it will give reservists across the country the feeling that they are needed and counted upon to perform a meaningful role in our military. However,

without adequate training and tasking, funding and facilities, equipment and encouragement, the reserves will simply continue to wither away and not be in a position to make the government's four-stage mobilization structure a realistic scenario.

The white paper indicates that reservists will be trained so that their ability to augment the regular force will be greatly improved. Stress will be placed on assigning more service support roles to the reserves for such matters as "medical, logistics, communications and transport functions." I also like the idea that local communities are to be charged under the white paper with some responsibility to help sustain the reserves.

Honourable senators, there are exciting challenges ahead in this area. I hope that the white paper's omission of mentioning the establishment of a Special Joint Committee on Defence was simply an oversight and that such a committee will be established early in the new year. Indeed, it would certainly be my intention to bring matters of the reserves and of Canada's youth in general to the attention of this new committee at the earliest possible date.

**Senator Gigantès:** Would the honourable senator entertain a question or two?

**Senator Meighen:** Certainly.

**Senator Gigantès:** When do you foresee a general mobilization, and for what sort of war?

**Senator Forrestall:** At the first sign of you getting out of hand.

**Senator Gigantès:** I am asking a serious question.

**Senator Meighen:** I do not foresee it, but it is always a possibility, senator. I cannot predict. As has been said many times in this chamber by others who have spoken on the committee's report, no one can predict what the situation will be in the world next year or in ten years' time.

I do not think that anyone can say with any assurance that there will never again be a need for general mobilization in this country. The need is less than it has been recently, and I hope and pray that it will never come to pass, but I am not able to say that it will not come to pass ever.

**Senator Gigantès:** Honourable senator, are you aware that that was the argument of the French cavalry before the Second World War for maintaining a large horse contingent, when it was known that the Germans had switched to tanks? The infantry was maintaining a luxury version of the World War I trenches in the ligne Maginot on the ground. One never knows. If one never knows, we could increase our defence budget instead of decreasing it.

**Senator Meighen:** I am glad we agree that one never knows. That is why there is emphasis throughout the committee's report and in the white paper on the ability of our military forces to adapt, to be flexible, and to be prepared to meet any possibility.

Certainly you and I would agree that the Maginot line theory is not one which commends itself to anybody, and that is not what is being suggested.

**Senator Gigantès:** Honourable senator, I agree with you on the defence, on the reserves, and especially day-time reserves being useful for giving the young a sense of service, sopping up unemployment. However, in the past I was against CF-18s. I thought the frigates were a wasteful expenditure. I am criticizing Liberal governments now. I still think they are.

I am for good armoured personnel carriers and some things that go with it. However, I have a feeling that in what you say you have fallen for the military argument, which is that we must be prepared for every eventuality. We are not prepared for every eventuality in any field. It is not possible. We cannot afford it.

I believe Senator Roux would support me when I say a defence budget of $6 billion is plenty. A really good, fight-willing force of 10,000 men is enough.

**Senator Meighen:** Honourable senator, I suppose we could debate this for a long time. It is hard to know how many situations the military would be called upon to meet at any one time. Obviously we cannot be all things to all people and we cannot get involved in all situations. We all agree that we must be more selective in our participation, even in peace-keeping missions nowadays.

In my view, if you are suggesting 10,000 people in the field, then I would agree with you wholeheartedly. As I mentioned in my remarks earlier, we are now only able to put 3,500 to 5,000 in the field. That seems to me to be woefully inadequate. If you and I agree on 10,000, I am happy. However, I suspect you were referring to 10,000 or more in a general context, incorporating not only those able to fight in the so-called "teeth" of the military, but also those in the so-called "tail." I know 10,000 would bring us to a point of total irrelevancy, so I could not support that.

**Senator Gigantès:** Honourable senators, I said quite clearly 10,000 teeth and 10,000 tail, no more. Right now we are 10 to 1 tail. I would like it to be 1 to 1.

**Senator Meighen:** I am not sure Senator Roux would agree with you. You are now sounding more like a militarist than anyone in the committee because we did not necessarily say we needed 10,000. We merely said 3,500 was woefully inadequate. If you are suggesting 10,000 and realizing, as I know you do, the necessary personnel support that that requires, then you are not talking about a smaller military force.

**Senator Gigantès:** The Israelis operate on a ratio of one tooth and one tail. We should be able to do the same.

**Senator Meighen:** Senator, the Israeli army does not have the geography that we have. It does not have the international commitments that we have. It has one commitment and that is the defence of its country, in which it has been actively engaged for many years. The situation is vastly different.

**Senator Gigantès:** Could you tell me who will attack us? Whom do we want to attack?

**Senator Meighen:** Why does the honourable senator and others persist in referring to an attack upon Canada? The point has been made over and over again that none of us are able to visualize an attack on Canada at this point. Does that mean we merely disband our military defence forces, fold our arms and let others do the job of ensuring world stability? Surely we have an obligation to work with our friends and allies around the world to protect Canada's interests. Canada's interests lie in a stable world where regional conflicts are prevented to the best of our ability, and not allowed to escalate into wider spread conflicts. That is where our interest is.

It is not a question of who will attack us. It is a question of what type of world we want to live in. If we wish to play a meaningful role in ensuring that the world is a better place, rather than merely a globe made up of warring factions, then we cannot sit on our hands and refuse to participate on a worldwide basis.

**Senator Gigantès:** If I must make a choice between more participation than at present, on a worldwide basis, and finding more money for health, or education, and for research, I would take the latter choice.

**Senator Meighen:** There are lots of places we could find to cut. We have already cut more in the military than we have cut in many other areas. It is time we looked at other areas to find money, such as support programs that are no longer fulfilling a function.

The honourable senator may not be willing to look there, but I think most Canadians are, and even your own Finance Minister.

On motion of Senator Forrestall, debate adjourned.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

### SENATE ESTIMATES 1995-96—REPORT OF COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the thirteenth report of the Standing Committee on Internal Economy, Budgets and Administration (Senate Estimates for the fiscal year 1995-96), presented in the Senate on December 8, 1994.

**Hon. Consiglio Di Nino** moved the adoption of the report.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Senator Di Nino:** Honourable senators, before doing so, I have some additional information to present to you, part of which was contained in the report. I will highlight some of the areas which I think will be of interest.

• (1600)

Over the past three years, the actual cost to run the Senate has been reduced by approximately 11 per cent. As an aside, I understand that the actual cost for the other place has increased by approximately 6 per cent.

A serious analysis of the efficient and effective operation of the Senate shows that this year we have achieved a stand-pat budget. There was no increase in costs.

I should also like to draw the attention of my honourable colleagues to a number of items which I believe would also be of interest. Approximately 70 per cent of the cost of running the Senate consists of salaries and benefits, leaving us little or no room to manoeuvre.

This year we had an unexpected request from Treasury Board for an assessment of some $460,000 for funding of staff benefits. This is a statutory requirement over which we have no control.

I should like to inform colleagues that the sound system and the replacement of carpet for the chamber has been postponed to a later date.

Finally, it is the intention of the Committee on Internal Economy, Budgets and Administration to review one or two departments per year, giving us a better opportunity to assess the operation of each department.

**Hon. Colin Kenny:** Honourable senators, I have a question for the chairman of the committee. I read in the report that the total person years has decreased by 10, mainly through attrition, and stands at 437.

My concern is with the phrase "mainly through attrition." Are we firing people or is the number decreasing through attrition?

**Senator Di Nino:** It is pretty clear. It says "through attrition." To my knowledge, there have been no firings. This has been accomplished by resignations. I do not believe that anyone was or will be let go.

On motion of Senator Corbin, debate adjourned.

### PRIVILEGES, STANDING RULES AND ORDERS—BUDGET, 1994-95—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fourteenth report of the Standing Committee on Internal Economy, Budgets and Administration (Budget of the Standing Committee on Privileges, Standing Rules and Orders), presented in the Senate on December 8, 1994.

**Hon. Consiglio Di Nino:** Honourable senators, I move the adoption of the report.

**Hon. Eymard G. Corbin:** Perhaps the deputy chairman of the committee could briefly explain the report.

**Senator Di Nino:** Honourable senators, this report deals with a budget for the Standing Committee on Privileges, Standing Rules and Orders of $2,500. That is the extent of the report.

Motion agreed to and report adopted.

BUDGET FOR CSCE PARLIAMENTARY ASSEMBLY—
REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifteenth report of the Standing Committee on Internal Economy, Budgets and Administration (Budget for the 4th Annual Session of the Parliamentary Assembly of the Conference on Security and Cooperation in Europe), presented in the Senate on December 8, 1994.

**Hon. Consiglio Di Nino** moved the adoption of the report.

Motion agreed to and report adopted.

EUTHANASIA AND ASSISTED SUICIDE—SUPPLEMENTARY BUDGET, 1994-95—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the sixteenth report of the Standing Committee on Internal Economy, Budgets and Administration (Budget of the Special Senate Committee on Euthanasia and Assisted Suicide), presented in the Senate on December 8, 1994.

**Hon. Consiglio Di Nino** moved the adoption of the report.

Motion agreed to and report adopted.

## UNITED NATIONS

INTERNATIONAL CONFERENCE ON POPULATION
AND DEVELOPMENT—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Stanley Haidasz, calling the attention of the Senate to the officially adopted text of the International Conference on Population and Development (ICPD), held in Cairo, Egypt, from September 5 to 14, 1994.—(*Honourable Senator Haidasz*).

**Hon. Stanley Haidasz:** Honourable senators, I wish to take this opportunity to thank all honourable senators who were here yesterday and granted me leave to continue my remarks on my inquiry this afternoon.

The concluding document of the very important International Conference on Population and Development of Nations, called "The Programme of Action" also stressed freedom of religion. One can do worse than to regard religion as a necessary social bond to act justly, to love one's neighbour, and to walk humbly before one's God. Where informed moral freedom thrives in truth, it is ready to defer, or to be corrected of misinformed cultural practices, such as genital mutilation, to which I referred yesterday. A long history of missions highlight the enhanced regard for women which results from the education of girls as well as boys. Knowing that unjust practices die as ignorance is banished, the program of action of this conference strenuously calls for child and adult education on an equitable basis.

Given the value of law as teacher, I hope to introduce in this chamber in the near future an amendment to the Criminal Code to render female circumcision in Canada a punishable offence. I believe the measure will not limit religious freedom, since the offending practice, which appears to be predominant in certain Islamic areas of the world, is only a ritual, or rite, and not a tenet of Islam found in the Koran. While male circumcision is a semitic tenet, that inoffensive procedure removes or sections no organs. It is frequently regarded as a hygienic procedure and can prevent precancerous or even cancerous lesions in that site.

As a final point before leaving this issue, honourable senators, I wish to bring to your attention that Canada can be proud of a singular primary health care program at a Christian hospital in Nigeria in the midst of Islamic culture. This project, administered by Dr. R. Walley, a physician from St. John's, Newfoundland, is headed by a Sister surgeon renowned for her expertise in treating obstetrical fistula, a dangerous complication in maternity resulting from genital mutilation. This Canadian Safe Motherhood Project, as it is entitled, was at risk of having its support cut by CIDA until the final text of the ICPD came to light. It is precisely the sort of initiative emphatically called for in this world conference.

Honourable senators, among significant amendments to the program of action, a most meaningful clause, called a "chapeau," directs that the document may not be interpreted to undermine sovereign interests, including what truly are religious beliefs of the citizens of a nation. This principle enjoins that centrality be accorded informed conscience and the free exercise of religion.

The importance of this "chapeau" cannot be overstressed.

• (1610)

This matter is treated in paragraph 1 of Chapter II of the principles of the Programme of Action which I tabled yesterday. I should like to quote from that paragraph 1. It reads as follows:

> The implementation of the recommendations contained in the Programme of Action is the sovereign right of each country, consistent with national laws and development priorities, with full respect for the various religious and ethical values and cultural backgrounds of its people and in conformity with universally recognized international human rights.

Many were the delegations who called for this clear directive that whatever authority the Programme of Action may have, or is supposed to have, it is subject to national sovereignties and religious freedom. A number of reservations even sought to reiterate, for greater certainty, the assurance that it expresses. Moreover, of the 136 delegations who had no reservation to the programme after amendments, a majority could not have been assured of a consensus without this all-important "chapeau" or caveat, as well as a number of cognate principles stated in Chapter II specifically and throughout the Programme of Action.

One such principle is an espousal of freedom for all couples from coercion to set some given limit to their family. Coercion was clearly understood not to mean force only but more commonly financial and other inducements, as often is done by the rich countries of the world. Many delegations had found that inducements for family planning or population policy degenerates easily into so-called fertility regulation.

In Cheops Hall, that magnificent place of the People's Assembly of Egypt, I was delighted, on the occasion of World Parliamentarians' Day, to make a brief speech, not only as a parliamentarian, but also as a physician, concerning the wisdom of treating fertility not as a disorder, nor women as chemical laboratories in disarray.

Women are alienated by devices or chemical contraception, much of which is known to be abortifacient and have serious health consequences of which women are little informed. Informed consent was called for frequently by delegations to this conference.

Honourable senators, I bring to your attention the article in the *Canadian Forum*, September, 1994 by Peter Gillespie, and I quote from his article:

> Unlike family planning, population control does not expand the range of women's choices; rather, it explicitly aims to diminish choice...Not only is population control an infringement on reproductive freedom, but the history of population programs is one of abuse.

Concerns such as this prevailed to remove language from the Programme of Action that may have been construed to endorse abortionism. Focus was instead directed to primary health care within which the widening complications of abortion are to receive greater attention, including post-abortion syndrome, sister to the post-traumatic stress syndrome suffered by those who have survived horrors, as the recent report by our Subcommittee on Veterans Affairs of the Standing Senate Committee on Social Affairs, Science and Technology documents so well.

That nations should strive to reduce, even to eliminate, the practice of abortion, which can never be safe, let alone for the tiny persons it destroys at inception, was almost unanimously called for in this conference. Delegations bore in mind that in a number of places throughout the world, there are legal hurdles to a ban, but it was significant that China, at this conference, lent its voice to a reversal of coercive policies on family size, which have heretofore been the preponderant reason for rampant abortion in that country.

In this inquiry, I would encourage honourable senators that our government finds simple means to do so in Canada, for example, by eliminating the transfer of funds to provinces for the procurement of abortion, as it is not health care within the meaning of the Canada Health Act or by any precedent of jurisprudence in Canada. If it were necessary health care, then by the Bourne legal principle, abortion would be a right. As the Cairo conference Programme of Action openly states, it is not a right.

It surprised a number of feminists at this conference that the reception of this message and the Programme of Action itself owed a great debt to the wide endorsement of the advancement of women. It was found necessary to shore up resolve against a tragic epoch of coercive programs and artificial inducements that address fertility as a state of personal health disorder.

I would be remiss not to mention that the United Nations conference in Cairo was also an opportunity untapped and a road not taken. I am persuaded that, with adequate opportunity for all delegates to have been apprised of issues prior to convening in Cairo, there would have been a better result, a greater consensus on more text, albeit to a briefer document. Approximately 90 per cent of the 113-page draft Programme of Action enjoyed substantive agreement, arrived at in the conclaves and side negotiations prior to September 5 in Cairo. However, it would be misleading to say that more than 15 per cent of the document was specially consequential. Within the very consequential parts at the core of controversy, no one could have held the illusion that consensus could have been found.

The drafting process may have underrated the preparedness of the parties to the programme. Even after intensive amendments on key segments held in reservation, 5 per cent of the delegations produced well-written statements taking up 10 per cent of the ICPD report. Thus, while one cannot, in truth, declare the Programme of Action a consensus, one must appreciate the great headway achieved, considering how flawed the starting point was.

The very step of reserving agreement, as opposed to filibustry, shows the profound goodwill and desire to carve common ground by all participants. This spirit prevailed notwithstanding polarization over much of what was the core of the draft agenda. Some of the water may have appeared poisoned by the persistence of terms contradictory to stated principles. For instance, fertility regulation is still present in Chapter XII, even though, in the interests of the dignity of women, it was a term that the majority agreed should be dropped. A directive in Chapter XIV, 14-17, on international cooperation may induce acceptance of population policies by modifying debt relief, and this despite the fact that the ICPD principles at the Geneva convention condemn coercion.

• (1620)

Perhaps the greater loss was that goodwill was so manifest at Cairo, yet in realization cut short over persistent hurdles offensive to humanity. Drafters may have forgotten that measures designed to limit the number of people were declared crimes against humanity in the Geneva Convention of 1948. The fact that the preamble decries setting targets and yet urges populations to be no greater than specific numbers by the year 2014 defies understanding, especially as the aim of the human family is not to limit its numbers or to shorten its longevity, but rather to sustain these.

At any rate, His Excellency David Karsgaard, our current Canadian ambassador to the United Nations General Assembly, addressing that assembly's forty-ninth meeting on November 17 last, echoed the words of numerous observers when he said that this ICPD report "recognizes that social and economic development rather than adherence to strict demographic targets is central to achieving a balance between the number of people on earth and their demands on the world's ecosystems."

A French demographer, M. Hervé le Bras, draws the conclusion in his recent scholarly work which was published during the last half of our conference, entitled *Les limites de la planète — Mythe de la nature et de la population,* that to require some supposed target of people, even as an outside limit, to attain a prejudged balance is predicated on a pathetic Malthusian myth.

To the extent that the program of action sustains an interpretation that it strives to avoid falling into that myth, high praise came from many delegations, including that from the Holy See —

**The Hon. the Speaker:** I regret to interrupt the honourable senator, but I must tell him that his time is up.

**Senator Haidasz:** Will honourable senators once again allow me to adjourn the debate in order that I may finish the last part of my speech at the next sitting of the Senate?

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

On motion of Senator Haidasz, debate adjourned.

## THE SENATE

### ABSENCE OF APPROVAL FOR VARIOUS PROJECTS— ORDER STANDS

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Doyle, calling the attention of the Senate to the absence of Senate approval for various projects in the purview of the Standing Committee on Internal Economy, Budgets, and Administration.—*(Honourable Senator Di Nino)*

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I ask that this order stand in the name of the Honourable Senator Lynch-Staunton.

**The Hon. the Speaker:** Honourable senators, is it agreed?

**Hon. Senators:** Agreed.

Order stands.

## CELEBRATION OF CHRISTMAS IN CANADA

### INQUIRY—DEBATE ADJOURNED

**Hon. William M. Kelly** rose pursuant to notice of December 6, 1994:

> That he will call the attention of the Senate to the way in which Canadians are being encouraged to celebrate Christmas.

He said: Honourable senators, I appreciate this opportunity to place on the record certain views I have about what is happening to Canadians in terms of the way in which they celebrate Christmas. I promise to be as brief as possible.

What I want to talk about are constants in our ever-changing world. During my career as a businessman, I have been fortunate to visit and work in many countries in the world, and to learn about and to admire many different cultures. Learning about the cultures of others has been a particularly rewarding experience — the great religions and social systems of the Orient, the Islamic faith that springs from the same origins as Christianity and Judaism, and ancient Hinduism, the antecedents of which reach back several thousand years.

The common thread through many of the great cultures and religions of the world is respect. I refer not only to internal respect, that is, respect for one's fellow believers, but external respect, that is, respect for people of other cultures and their religions, and respect for their right to practise their own religions peacefully, although perhaps not to proselytise.

In my professional life, I learned very quickly to understand and respect the cultural and religious traditions of other peoples because to do business within a foreign country requires at least a minimum of cultural and religious observance, or sensitivity.

Canada, in an amazingly short time — certainly less than a generation — has become a multicultural and multireligious country. One need only travel around a city such as Toronto to grasp the magnitude of the change. Street signs in Portuguese, Italian, Mandarin, Greek and other languages proliferate. I am told that something in the order of 110 languages are spoken in the City of Toronto.

To a lesser extent, the same "multiculturalisation," if I can call it that, is happening in every other major urban centre in Canada. I refer to Vancouver, Ottawa and Montreal, to name a few. This transition to a truly multicultural society has been achieved with remarkably little strife. The credit for this lies in our positive approach to multiculturalism. This has occurred because the established cultures of Canada not only provided a safe haven for new and minority cultures, but actually encouraged the practice of these cultures and their religions. We respect their traditions and celebrations, and I know they respect ours.

I think it is fair to say that no country has been as accepting, as encouraging and as embracing to other cultures and religions as Canada has been over the past 25 years or so. However, our record is not unblemished. Unfortunately, we have our white supremacist groups and our neo-Nazis. We have had a few inter-cultural incidents.

When all is considered, I assert that our accomplishments are commendable, especially when compared to the "melting pot" approach of the United States, the cultural xenophobia of countries such as France, the ethnically discriminatory immigration policies of Mexico and other Latin American countries, and the developing tide of anti-immigration sentiment in some U.S. states such as California, not to mention the rise of nationalism in Germany and other East European countries. One need only look at the atrocities committed in the former Yugoslavia, certain Middle Eastern countries or in the former Soviet Union in the name of "ethnic cleansing" to appreciate how rare and valuable Canada's attitudes to multiculturalism have been.

It was, therefore, with great sadness and disappointment that I watched the furore that erupted last year in Ontario over so-called "Christmas iconography." I raise the issue now because the Christmas season is upon us. I think it behooves us to reflect upon the recent experiences of the past and, hopefully, to avoid their repetition.

For those honourable senators who are from other, more sane, parts of Canada, who are unaware of the fuss, or who have forgotten about it, allow me to recapitulate briefly the major events. On November 10, 1993 the Ontario Management Board Secretariat, which is equivalent to the federal Treasury Board, issued a written edict banning "Christmas iconography from all government lobbies or building exteriors exposed to the public." The ban was "not up for debate." Any decorations had to "conform to a seasonal theme, rather than Christmas iconography," which would include any decoration that depicted Jesus Christ, nativity scenes or references to the Christian faith. Christmas decorations in several Ontario government buildings, such as one in Sudbury, were actually dismantled in response to this ban.

The media, of course, jumped on the story. Some so-called liberal journalists took pains to point out that Christmas has no historically accurate relationship with the birth of Christ. It was pointed out how Christmas probably originated from a combination of sun-worship festivals that were common among pagan tribes in the northern hemisphere, the Roman feast "Saturnalius," Druidic feasts and satanic worship.

When the edict became an issue on the floor of the Ontario legislature, the NDP government beat a hasty retreat. As a matter of fact, a Chanukah candelabra, and later a crêche did appear, as they have on previous years, on the precincts of Queen's Park. However, as a practical matter, the damage was done. It was very clear to public servants that in the new era of newspeak and political correctness in NDP Ontario, Christmas iconography is a "no-no."

The retreat was a particularly graceless and insensitive one. A government spokesman was quoted as explaining the appearance of the crêche in this way:

> Christmas is Christmas, so we put up a Christmas tree. Chanukah is Chanukah so we put up a Menorah. We try to celebrate any festival which is brought to our attention.

• (1630)

Is it not wonderful that someone brought Christmas to his attention? I, for one, found the marginalization of Christmas as "just another festival" insensitive and offensive. It was particularly upsetting to me that the Ontario government ban apparently originated from complaints the government received in 1992 about the presence of "Christmas iconography" in Ontario government buildings. There was no source identified as far as the complaints were concerned.

To be fair, Ontario is not alone in this silliness. I understand there were some concerns on Parliament Hill last Christmas about our own Christmas tree presentation and concerns not to offend anyone, to show sensitivity to non-Christian religions and cultures. Doubtless, countless hours of bureaucratic time was absorbed in a careful consideration of all the issues and implications.

On the other hand, I found it ironic, though encouraging, that many articles prompted by the furore and written in support of the celebration of Christmas were by ethnic writers. Rachael Raza, for example, wrote in *The Toronto Star*:

> ...Canadians have celebrated Christmas with verve and enthusiasm for hundreds of years. Why should it suddenly become a skeleton in a closet, and not be mentioned by name, let alone be celebrated without any hang-ups?
>
> I understand this —

She is referring to the Ontario ban —

> — is being done to accommodate people of other religions, to make us feel at home. Well, I do not feel at home if the hosts are not allowed to celebrate their own festivals, but are expected to share in mine.

She goes on to ask, what is wrong with Christmas? She concludes:

> There is nothing wrong except with those people whose hearts and minds are not open enough to adapt... Participating in Christmas does not take away one's religious beliefs or convert them to Christianity. All it does is bring about better understanding among people.
>
> To those who complained about Christmas iconography, I say to you, 'Respect and accept our traditions as we have accepted and respected yours.' I ask you to remember that the essential message of Christmas is peace on earth and goodwill to all people. What can possibly be offensive or insensitive about that?

I also venture to say, albeit with some personal sadness, that Christmas will probably continue to diminish in importance as a religious festival in our expanding multicultural society. Ironically, with our festivals of light and our First Night celebrations, we are recreating the pagan celebrations which Christianity brought together as the "Feast of Epiphany" and which ultimately became known as "Christmas."

This is progress?

I must say, however, that the demise of Christmas and Christianity, to which Christmas is central, has been forecast before. George Santayana, in his *Character and Opinion,* wrote in the late 1800s:

> Civilization is perhaps approaching one of those long winters that overtakes us from time to time. Romantic Christendom, of which Christmas is a part, picturesque and passionate, may be coming to an end.

However, if the demise of Christmas as we know it occurs, the transition to a non-religious, sanitized, year-end celebration will occur naturally in our response to our changing demographics. Let us not force the issue because, by doing so, we will be forcibly taking away from a large segment of the population something which is important and valuable, and deeply entrenched in our lifestyle, our history, our emotions and our psyche. It is also such real or imagined hurts or losses which accumulate and fester and become the wellspring from which the propagandists of white supremacy and cultural hate erupt.

To those politicians who would "ban Christmas," I would point out that the puritan government of Oliver Cromwell tried to do so in 1647 with no long-term effect. I wonder how Bob Rae would appreciate the analogy to Oliver Cromwell and the Roundheads?

History has shown us that government repression of ideas, of religious traditions and rituals rarely works. It usually has opposite results to those intended. To those small "l" liberal journalists who sneer at the value of Christmas, and who claim it is a festival confected by an opportunistic church from a menu of pagan and other non-Christian festivals, I ask: How many religions are historically accurate? How many religions have not borrowed extensively from other religions and cultures?

If we are not to celebrate Christmas for cultural sensitivity reasons, perhaps we should stop celebrating New Year on January 1 as well. Our New Year's celebration is no more historically pure than Christmas and could equally offend those religions and cultures who refer to a different calendar. I am sure there are many journalists, and I know a few, who would fight tooth and nail against giving up certain aspects of the New Year's ritual.

In the final analysis, who cares? Christianity may be one of the newer religions and Christmas one of the newer celebrations, but Christianity has been around for nearly 2,000 years, and Christmas has been celebrated along with the birth of Christ since the fourth century A.D.

To those who, in the pursuit of sensitivity and political correctness, would give up or tone down Christmas, I say, "Think again." A culture or religion which does not respect itself and its traditions cannot expect respect from anyone else. In our ever-changing world, our traditions remain our constants, our heritage to share and to pass on to successive generations.

Diversity is not a bad thing. A homogeneous, laundered, desensitized, everyman culture can be terribly bland, unexciting and uninspiring. Think of the great works and noble deeds which have been inspired by the Christmas story. Think of a world without Christmas, a world without the inspired work of Michelangelo, da Vinci, Martin Luther, Charles Wesley, Longfellow, Robert Frost, Brooks, Charles Dickens, even Dr. Seuss. Think what a hole there would be in our culture without Christmas and the iconography that goes with it.

Think about the timeless values of Christmas. Think of how important Christmas was for you, what a touchstone it was for you when you were growing up in your culture and in your faith. Now, consider giving it away and not passing it on to your children.

Sensitivity in a multicultural society is critically important but it can be taken too far. How far away are we from the day when I refrain from going through a green light lest I offend someone sitting idle at a red light?

Let us think about what we are doing. Let us be culturally sensitive, of course, but let us be rational in our sensitivities.

And so to the Roundheads in the Ontario government, to those who would ban Christmas, I say, "Butt out!"

Perhaps more elegantly, I quote from the great Christmas carol of John Byron:

> Christians, awake! Salute the happy morn.

On motion of Senator Cools, debate adjourned.

## POWERS OF PARLIAMENTARY COMMITTEES

MOTION TO REFER PAPER TO STANDING SENATE COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS—DEBATE ADJOURNED

**Hon. Finlay MacDonald,** pursuant to notice of Wednesday, December 7, 1994, moved:

> That a paper dealing with the powers of parliamentary committees, prepared by Diane Davidson, General Legal Counsel to the House of Commons, dated November 16, 1994 and tabled with the Standing Joint Committee for the Scrutiny of Regulations on November 17, 1994, be referred to the Standing Senate Committee on Legal and Constitutional Affairs for consideration and report.

He said: Honourable senators, I am not a member of the Standing Joint Committee for the Scrutiny of Regulations. However, my colleague Senator Kelly sent me a copy of the submission presented by Miss Diane Davidson, who is mentioned in my motion, with respect to the powers of committees.

I found it a fascinating document. I attended the next meeting of the Standing Joint Committee for the Scrutiny of Regulations to hear the Deputy Minister of Justice address himself to the very paper which Ms Davidson had presented.

For some four years, I was chairman of a committee of the Senate. Either through timidity or ignorance, I found myself on several occasions being conned — that is the only word I can use to describe it — by public servants who appeared before the committee and told the committee that certain material was not available. It was classified. There was some reason why it could not be made available.

As I said, it was either by timidity or ignorance that neither I nor any member of the committee spoke up and said, "That is not so. We have a right to get that information." When I read this report of Ms Davidson and when I heard the Deputy Minister of Justice, I felt like a kid who had just been given a key to a candy store. We could have dragged these people before the committee in leg irons and got the information we wanted.

• (1640)

This submission is so intriguing that, after it is dealt with by the Joint Standing Committee for the Scrutiny of Regulations, I think it would be a useful, indeed required, study for the Standing Senate Committee on Legal and Constitutional Affairs to undertake. My comments apply not only to chairmen of committees but to anyone who takes committee work seriously.

That is why I have moved this motion. I have spoken to the chairman of the Standing Senate Committee on Legal and Constitutional Affairs, Senator Beaudoin, who has enthusiastically agreed, as has the committee, that the matter should be referred to that committee. I think it would be a most useful exercise.

**Hon. Eymard G. Corbin:** Honourable senators, I certainly appreciate the context in which this motion is made. I do, however, have a question for Senator MacDonald. Why is he suggesting that the matter be referred to the Standing Senate Committee on Legal and Constitutional Affairs instead of to the Committee on Privileges, Standing Rules and Orders? Is there a distinction that I have missed?

**Senator MacDonald:** No. That was the suggestion that was made. I have no strong preference. I just assumed that the Committee on Legal and Constitutional Affairs would be the appropriate body, and its members have expressed an interest in studying it. However, I am in the hands of the Senate.

**Hon. Joan Neiman:** I have been a member of both these committees. My first reaction is that this matter should go to the Committee on Privileges, Standing Rules and Orders rather than to the Committee on Legal and Constitutional Affairs.

I would be delighted to study it in either forum, but I think that the Committee on Privileges, Standing Rules and Orders could handle it extremely well in the first instance. At this point in time, with the material coming before the Committee on Legal and Constitutional Affairs, the Committee on Privileges, Standing Rules and Orders may have a little more time to deal with it.

Perhaps this is something the two chairman should consider.

I will adjourn the debate to give us an opportunity to discuss this matter. In any event, the document should be referred to one of these committees.

**Senator MacDonald:** I do not think it is necessary to have a huddle between two committee chairmen. I think that either committee would be delighted to deal with it. If someone wishes to move to amend the motion, we can deal with the matter now.

**Senator Corbin:** I have no preference as to which committee the matter should be referred, but, before pursuing the matter, I should like to have an opportunity to read the paper to which Senator MacDonald alluded. I can assure the honourable senator of my goodwill and my cooperation in having the matter referred to a committee, but I should like to peruse the matter further so as to be in a position to reach a personal conclusion as to which committee would be better suited to deal with this matter.

**Hon. William M. Kelly:** Honourable senators, Senator Corbin has made a very good suggestion. Before we decide that the matter should go to the Committee on Privileges, Standing Rules and Orders rather than to the Committee on Legal and Constitutional Affairs, I suspect that when the honourable senator reads the powers as they are described, he may have the same concern as I have. I should like to be very sure that the report does, in fact, describe the powers of parliamentary committees. It seems to me that that would go back, in part, to elements of the Constitution; and right back to the beginning of parliamentary regulation and rules. We may find that the Committee on Legal and Constitutional Affairs will be the more logical starting point. I do agree with Senator Corbin.

**Senator MacDonald:** I will ensure that Senator Corbin receives a copy of the paper.

**Senator Neiman:** I, too, would like to look at the paper before we discuss it again.

On motion of Senator Neiman, debate adjourned.

The Senate adjourned until Wednesday, December 14, 1994 at 1:30 p.m.

# THE SENATE

**Wednesday, December 14, 1994**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

## ROUTINE PROCEEDINGS

### CANADA GRAIN ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-51, to amend the Canada Grain Act and respecting certain regulations made pursuant to that Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Petten, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on Orders of the Day for second reading later this day.

### CANADIAN ENVIRONMENTAL ASSESSMENT ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-56, to amend the Canadian Environmental Assessment Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Petten, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on Orders of the Day for second reading later this day.

### CRIMINAL LAW AMENDMENT BILL, 1994

MESSAGE FROM COMMONS

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons returning Bill C-42, to amend the Criminal Code and other acts (miscellaneous matters), and acquainting the Senate that they had agreed to the amendments made by the Senate to this bill without further amendment.

[*Later*]

### EUTHANASIA AND ASSISTED SUICIDE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Hon. Joan Neiman**, with leave of the Senate and notwithstanding rule 58(1)(*a*), moved:

> That the Special Senate Committee on Euthanasia and Assisted Suicide have power to sit at 3:15 p.m. today, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

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## QUESTION PERIOD

### PRECINCTS OF PARLIAMENT

TUNNEL BETWEEN EAST BLOCK AND CENTRE BLOCK—APPROPRIATENESS OF EXPENDITURE—GOVERNMENT POSITION

**Hon. Gerald J. Comeau:** Honourable senators, my question is for the Leader of the Government in the Senate. I learned just today that the government has authorized the building of a tunnel from the East Block to the Centre Block, and that, apparently, senators have no say in the matter whatsoever.

Given the financial situation of our country, does the government feel it is appropriate to be undertaking such a building project?

**Hon. Joyce Fairbairn (Leader of the Government):** Senator Comeau, I will look into your question and try to get back to you tomorrow with an answer.

**Senator Comeau:** Apparently the project has been given the go-ahead. I should warn the government leader that time is of the essence on this point.

**Senator Fairbairn:** I appreciate my colleague's concern.

AUTHORITY TO INITIATE PROJECT

**Hon. C. William Doody:** Honourable senators, I have a supplementary question on that matter. I am told that there will be a considerable amount of money spent by the Department of Public Works on the East Block and on the tunnel from the East Block. Will the Leader of the Government assure us that the project was not instigated by or at the request of the Senate of Canada, but rather that it is a government initiative over which the Senate has no control?

**Senator Olson:** No, because you guys do not vote right.

**Senator Lynch-Staunton:** There is just no consultation.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will follow up on that question as well. I regret that the Chairman of the Standing Committee on Internal Economy, Budgets and Administration, who may have some understanding of these issues, is not with us. As you know, he underwent surgery last week. I will look into these questions today, and it is to be hoped that I will have something on this matter tomorrow.

• (1340)

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—
REMAINING IMPEDIMENTS TO REDEVELOPMENT

**Hon. Finlay MacDonald:** Honourable senators, some weeks ago I asked the Leader of the Government in the Senate if she could try to temper the remarks of some of her colleagues. Today, I wish to congratulate and thank her in that regard. I do so because, yesterday, the Minister of Transport referred to senators in the most gracious way that I have heard. He referred to us as "tenacious."

Flush with this success, will the Leader of the Government go one step further? Will she obtain for us an answer, preferably before we adjourn, as to whether or not any impediment concerning the redevelopment of Pearson airport now exists? Has the government started any negotiations on its own initiative to correct whatever impediment there is remaining?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my colleague has a regard for the Senate and its efforts on the legislation about which Senator MacDonald asks. I believe he expressed that regard yesterday. I wish to thank the honourable senator, and other of my colleagues on the other side, for the understanding and sensitivity with which they have approached this issue.

I will be glad to look into the second part of the honourable senator's question and see if I can have something for him by tomorrow.

I am aware that my colleague has an outstanding question on the larger issue of Pearson airport. I hope that I will be able to obtain a response to that question as well.

[*Translation*]

## NATIONAL SECURITY

PROPOSAL TO STRIKE SPECIAL COMMITTEE—
REQUEST FOR ANSWER

**Hon. Marcel Prud'homme:** Honourable senators, on several occasions, I have raised issues concerning security and intelligence. The answer we received from the Leader of the Government was a good start. I figure — There seems to be a problem with the sound. I do not know whether it is intended to soften me up because I am against changing the sound system, which will cost a fortune.

[*English*]

I am very much the Scrooge when it comes to matters of administration. We had a long debate about changing the sound system. For the moment, I still oppose it.

[*Translation*]

On several occasions, I have put questions regarding security issues to the Leader of the Government in the Senate. I have received a written answer, telling me that the minister would gladly come and answer our questions. I shall be brief, for this one. I am prompted to ask you this question because of Senator Kelly's excellent notice of inquiry.

[*English*]

I should like to join with him in saying that the time has come for the Senate — not the House of Commons — to establish a standing committee on security and intelligence. It may take some other form. However, I believe we have made progress since the last time I asked multiple questions on this issue.

Is the Leader of the Government in a position today to give me some hope that when we come back in February, she will have a firmer answer to give me?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Prud'homme for his questions. I repeat what I have said already, both orally and in the form of a written answer to him: I have spoken with the Minister of National Defence, who has repeated fulsomely to me his willingness to appear before a Senate committee to answer the questions of senators as best he can on matters of security.

I am most conscious of Senator Kelly's interest in this issue. Indeed, he has a motion concerning the issue of security before the Senate now.

As honourable senators know, both sides of the Senate are in a situation where we are considering future work or special assignments to committees, as has been the case in the current sitting. I am sure those discussions will intensify as we go into

the new year. In fact, my colleague Senator Kenny has put on the record his interest in the question of defence. I am sure the question that concerns my honourable friend will be an issue in those discussions. Beyond that, I cannot say anything more at this moment.

**Senator Prud'homme:** Honourable senators, since last I exchanged views with Senator Fairbairn, I examined every reference she was kind enough to give to me. I read Senator Kelly's report, but he barely touched on the matter about which we have been concerned of late. He did some splendid work on the issue of terrorism. However, that work had nothing specifically to do with what we are now discussing.

The Minister of National Defence has made a kind offer to appear as a witness before one of our committees. He will only appear as a witness pertaining to the very limited part of his own responsibility concerning security. However, he is responsible for but a part of that issue. The Privy Council is responsible for another part. The Privy Council is led by the Prime Minister.

With that in mind, I am not in a position today to say that I wish to see the Prime Minister appearing before a committee, and not the Minister of National Defence. However, I hope that what has been said on this subject thus far is being actively considered. Because we do not ask a question on this topic every day does not mean that we are forgetting where we started the debate. I waited, because I wanted to see what developments would take place. I know a matter such as this takes time. It is a fragile and controversial subject. However, I am a patient person; I can wait. After all, the Senate is the best place in which to be patient.

**Senator Fairbairn:** Honourable senators, I appreciate my honourable friend's patience. I also appreciate something else that he mentioned, something which is part of this discussion, and that is, when we talk about an area such as security and intelligence, it is an area unlike any other in the process of government. It is an area about which I know my friend Senator Kelly is most knowledgeable, and also to which he is extremely sensitive.

During the hearings on terrorism and public safety, I recall that in order to obtain the kind of forthright views and information that were necessary for the excellent report that was produced, virtually all the hearings were held *in camera*.

I ask honourable senators to keep in mind that we are dealing here with an issue that is unlike any other issue. For that reason, a great deal of consideration goes into the requests that are being made by my honourable friend and others. The issue will be discussed and considered.

I am not trying to stonewall my honourable friend. However, I assure him that our discussions and considerations will continue into the new year. We will try our very best to do the right thing.

**Senator Prud'homme:** Honourable senators, I have been active in politics for 31 years. Often, when things become embarrassing, we have a tendency to say that it is top secret, or for the minister's eyes only. One time I invented a new term which was, "So secret — destroy before reading."

I do not want to believe that in the name of security —

[*Translation*]

So many crimes and sins have been committed in the name of security. When things become very embarrassing, there is a tendency — I want to be very clear. I am not talking about the government, the minister or whoever is responsible, but so many crimes have been committed in the name of security, so many mistakes have been hidden in the name of security. That is the point I want to make on this issue. I am not interested in rehashing the past.

[*English*]

• (1350)

The world has changed, as I said. I am not interested in rehashing the past. I am interested in the future.

Honourable senators, hundreds of millions of dollars are spent, some of which I am convinced are without the scrutiny of Parliament. That is unacceptable. The minister knows how seriously I feel about this matter. I know the minister takes my request seriously. That is why, in 1995, I will be looking for progress under a new world order where Parliament will have much more say.

**Senator Fairbairn:** I am very conscious of my honourable friend's concerns. He has been here 31 years, one way or another, and I have been here 33 years. Certainly, in this day and age, perhaps one of the best ways of getting your views across is to stamp them "Top Secret," and you can guarantee they will be out tomorrow. That is not what I am referring to.

Honourable senators, I am not referring to embarrassing or controversial issues. There is a real sensitivity in the area of security and intelligence which must form part of our deliberations as we attempt to satisfy the legitimate concerns of Parliament.

## TRANSPORT

### DESTAFFING OF LIGHTHOUSES— REQUEST FOR JUDICIAL INQUIRY—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, my question is for the Leader of the Government in the Senate.

The Leader of the Government will be aware that there have been a number of calls — with a safety element ascribed to them — for a judicial inquiry into the destaffing of lighthouses on the West Coast of Canada, in Newfoundland, and other maritime centres.

It has come to my attention that, while appearing before the Transport Committee in the other place, the Transport Minister, Douglas Young, made a broad, sweeping reference to a number of matters. One of the items was termed "marine-related matters."

Will the Leader of the Government find out whether or not the term "marine-related matters" includes our request for a judicial inquiry into destaffing? This certainly is not good enough for us. Was it the minister's intention to refer the question of destaffing to the Standing Committee on Transport?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will do my best to obtain an answer for Senator Forrestall.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

### POLICY ON ADMINISTRATION OF INTER-PARLIAMENTARY ACTIVITIES—EQUALITY BETWEEN HOUSES OF PARLIAMENT

**Hon. Eymard G. Corbin:** Honourable senators, I have a question for Senator Di Nino, the Deputy Chairman of the Standing Committee on Internal Economy, Budgets and Administration.

On December 8, we were informed by Senator Hastings, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, that he was pleased to advise that the Board of Internal Economy of the House of Commons had now approved, in principle, an agreement with the Senate for the joint administration of parliamentary associations. I take it all honourable senators know what is entailed by the word "administration."

However, my understanding of the new setup is that, in matters of policy, the members of the House of Commons will have the overwhelming and final say with respect to the general guidelines applying to parliamentary associations. In my view, that goes against the grain of the equality and independence of both Houses.

Honourable senators, I have no difficulty with the administrative concept that is put forward by the paper. I do regret, however, that we have not had a substantial debate on this matter in the house. I suppose this is as good an opportunity as any to do it, but there is little time if we want the budget proposals to move forward in January.

My question for Senator Di Nino is this: On what basis did the Senate Internal Economy Committee agree to let the House of Commons have the overwhelming say in establishing policy as it applies to interparliamentary associations? In other words, why are we playing second fiddle?

**Hon. Consiglio Di Nino:** Now I know how the Leader of the Government in the Senate feels.

**Senator Lynch-Staunton:** We will take this question as notice.

**Senator Di Nino**: My leader informs me that I have the option of saying thank you for the question, and I will refer it to Senator Hastings for an answer.

Honourable senators, I do think there should be some debate on this matter. The basis that has been put forward here is the same as that which has been established for the cost sharing for the parliamentary associations, namely, 70 per cent for the House and 30 per cent for the Senate. Therefore, when we approached the other place for a more equitable representation, this particular fact was referred to us.

I should like to inform my colleague opposite that I share his views. As a matter of fact, with the knowledge of — but not necessarily the consent of — Senator Hastings, I wrote a personal letter to Mr. Gagliano imploring him to reconsider the issue because I do feel that there should be much more equity in the distribution of effective power. I suggested to him that a more appropriate number would be three and four. Obviously, you know what the response was: We received a notice, although Mr. Gagliano did make some changes to the presentation that I had also suggested.

I believe that this is an appropriate opportunity for Senator Corbin to raise an inquiry. I, too, wish to participate in the discussion, since I am not pleased with the situation as it now stands. Obviously, the House pays 70 per cent of the costs, and therefore they are suggesting that they should have 70 per cent of the vote.

However, honourable senators, an opportunity remains for participation by the Senate in that a steering committee has been set up to finalize all of these matters. At the present time, two of our senior staff members and five senior staff members from the House are working on a position paper that will be presented to a committee to be made up of two senators and five members of the House where discussions on all of these matters will take place. Perhaps at that time, if Senator Hastings and I could have some support from this chamber, we could fight a little harder to address the inequity or the imbalances that I agree with my friend exist here.

**Senator Corbin:** When it comes to matters of principle, I do not think financial contribution should be the criteria. This house is either independent or it is not. We must ask ourselves this question: Are we now in the position where we participate in inter-parliamentary activities on the basis of an invitation as guests of the House of Commons? That would be my interpretation of the present setup.

• (1400)

As much as I appreciate my "vis-à-vis's" concern over this whole matter, I am reluctant to approve the Senate's budget, which contains this item of split administration of the inter-parliamentary associations, before the question of fundamental principle has been sorted out. Either we are independent or we are not.

There is another way to go about it, and that would be for the Senate to set up its own inter-parliamentary associations. In that way, we could deal with topics that interest senators, and we would not be at the tail end of the activities and the dictates of

the other place. Obviously I am unhappy with the way in which the whole system has evolved over the years. This is a great opportunity for the Senate to do something constructive about the matter.

**Senator Di Nino**: Honourable senators, I completely agree with my colleague. Obviously he would have more influence over those in power in the other place than we do. I ask the honourable senators opposite to use that influence, particularly that of the Leader of the Government in the Senate, to achieve a more equitable distribution of power, if I may put it that way. However, a full and open discussion on this issue would be appropriate.

I am not sure that the proper vehicle for such discussion is the topic of the budget for the coming year. I spoke with my colleague opposite a few moments ago to inform him that I had been asked to inquire as to whether we could proceed with this matter. The Treasury Board requires that we submit the budget to them by the middle of January.

A full discussion on this issue certainly is welcome but we should find another forum. I repeat, perhaps the Leader of the Government of the Senate and her colleagues could intercede on behalf of our institution with the other place. Perhaps they can do a better job than I in dealing with Mr. Gagliano.

**Senator Corbin:** Honourable senators, I understand the suggestion of my honourable "vis-à-vis," to the effect that we approve the budget. I certainly had no intention of stopping it in any way, shape or form. There are good proposals contained in the general cadre of the program. Nevertheless, I want to know, after proper debate and a good hearing on this rather fundamental issue, if we in this house feel we are not getting fair input into the policy area, whether we are free to pull out of the agreement at any time. Is that what he is saying?

**Senator Di Nino**: Honourable senators, that is my understanding. I stand to be corrected, but I believe that is the case.

**Hon. Richard J. Doyle:** Honourable senators, I have a supplementary question to the question asked by Senator Corbin regarding the inter-parliamentary associations and the recent changes that have been negotiated. Some time ago, there was an article in the press to the effect that the Board of Internal Economy in the other place had agreed to a program in which all travel conducted would be at the lowest possible rate; that is, economy, and spousal travel would no longer be approved. I am wondering whether similar commitments regarding the Senate have been made.

**Senator Di Nino**: Honourable senators, that particular provision is one of the conditions to be finalized in the upcoming discussions. I can tell you that the conditions outlined in the press release, which was been circulated to all the members, as far as Senator Hastings and I are concerned, would be applicable to all members of committees travelling on behalf of the Senate or the House of Commons.

**Senator Corbin:** Honourable senators, I found it particularly — perhaps "offensive," again, is too powerful a word — unbecoming, perhaps, that the Board of Internal Economy of the House of Commons, on its own, would issue a press release before we in this institution have had an opportunity to consider and approve the deal. To me, that is totally unacceptable. That is not the way to conduct business within the precincts of Parliament.

**Senator Di Nino**: I have no argument.

**Hon. Lowell Murray:** Honourable senators, I was called out during part of the exchange between Senator Di Nino and Senator Corbin. Will this matter be debated in the Senate, the new arrangements respecting inter-parliamentary associations? If it will be debated, then I will reserve my comments until later. If not, I have a question to put to the honourable senator, the Deputy Chairman, which he may wish to reflect upon and reply to at a later date.

**Senator Di Nino**: Honourable senators, the question of whether or not this subject is to be debated in the Senate is entirely up to my colleagues. It is my suggestion that Senator Corbin raise the issue in the form of an inquiry precisely for that purpose. I, too, believe that we should have a full hearing to satisfy ourselves that this is the best we can do and the way we want to go. Otherwise, we should look at alternatives. We are talking about the matter today as a component of the budget. I would be pleased to answer any questions.

**Senator Murray:** When is the budget up for debate?

**Senator Di Nino**: The budget was presented two or three days ago.

**Senator Murray:** It will be called in due course?

**Senator Di Nino**: It was called and dealt with yesterday. Senator Corbin adjourned the motion. We were hoping to get it passed today.

**Hon. Colin Kenny:** Honourable senators, it is the responsibility of the Standing Committee on Internal Economy to table such matters for discussion.

**Senator Lynch-Staunton:** This is Question Period.

**Senator Corbin:** Honourable senators, I am perhaps breaking the rules of Question Period, but what other forum is open to us? The budget proposals have been tabled. We are at the tail end of the session, in the pre-Christmas holiday period. Everything is rushed. I will be tied up in committee today with an important witness, the Minister of Justice, on the topic of euthanasia. I would have liked to debate the matter later this day but I just cannot find the time.

It seems to me that the proper method for dealing with this topic would have been for the chairman or deputy chairman of the Standing Committee on Internal Economy, Budgets and Administration to come to the house with the specific proposals and ask that the house adopt, modify or reject them. Now it is buried in the budget. I find that unfortunate because it is a matter that carries important consequence for all of us.

**Senator Di Nino**: Honourable senators, Senator Hastings as Chairman of the Standing Committee on Internal Economy, Budgets and Administration circulated that material approximately two weeks ago, I do not recall the date. Frankly, this is the first I have heard that anyone, other than those at the Internal Economy Committee meeting, has any major concerns about the measure. I am not suggesting that this is not the appropriate place to raise those concerns. However, in fairness to Senator Hastings, he did send this circular around about two weeks ago.

**Senator Corbin:** The matter was not properly before the house before you tabled your report.

**The Hon. the Speaker:** Honourable senators, I regret to interrupt but the time for Question Period has elapsed.

• (1410)

## DELAYED ANSWER TO ORAL QUESTION

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, I have a delayed answer to a question raised by Senator Ghitter and Senator Phillips on December 6, regarding the Pearson International Airport.

## TRANSPORT

### PEARSON INTERNATIONAL AIRPORT—IMPLICATIONS OF ALLEGED INVOLVEMENT OF PRIME MINISTER

*(Response to questions raised by Hon. Ron Ghitter and Hon. Orville H. Phillips on December 6, 1994)*

The PM answered these questions in the House on December 8, 1994 as follows:

> Mr. Speaker, I never had, as a lawyer, any discussion about the Toronto Airport with any of these people. Besides, I am the one who proposed that this project be cancelled. Not only is there no conflict of interest, but I am the one who axed the whole thing.

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# ORDERS OF THE DAY

## CANADA GRAIN ACT

### BILL TO AMEND—SECOND READING

**Hon. Sharon Carstairs** moved the second reading of Bill C-51, to amend the Canada Grain Act and respecting certain regulations made pursuant to that act.

She said: I am pleased to introduce Bill C-51, to amend the Canada Grain Act.

Honourable senators, the Canada Grain Act first came into being in this nation in 1912, and it was most recently amended in 1988. From its very inception, the act was designed to regulate the grain industry, first, in the interests of the grain producers, and then in the interests of the grain industry in general. The purpose of Bill C-51 is to make changes that these very groups have told us are required to ensure that the Canada Grain Act continues to fulfil its mandate.

[*Translation*]

Honourable senators, I would like to start by putting this legislation into the more general context of the government's priorities.

These priorities are economic growth and jobs. They apply to all sectors of the Canadian economy.

Those among us who are familiar with the agricultural industry realize that the agriculture and agri-food sector plays a prominent role in Canada's economy. The contribution of the agri-food industry to the gross national product of this country averages 8 per cent, and the sector employs nearly two million Canadians.

In the prairies, grains and oilseeds, much of which is exported, represent more than half of farm revenue.

[*English*]

Agriculture is vital to this country, and the agri-industry is also significant. Agriculture must play a major role in achieving the economic objectives that are so important to the vast majority of all Canadians.

In agriculture, as in all sectors, this calls for a multifaceted coordinated strategy, one that is devised in cooperation with all of the industry stakeholders. This bill forms an integral part of the overall economic strategy that we must have for agriculture in this nation, and it will contribute substantially to the competitiveness of our grain industry. It will enhance the well-being of the many communities, families, and individual Canadians who depend on this industry for their livelihoods.

The Canada Grain Act is administered by the Canadian Grain Commission. The CGC is a special, federal, operating agency that serves all facets of the Canadian grain industry from plant breeders and grain producers to grain handlers and marketers, through to Canada's international and domestic grain customers. It employs about 750 people across Canada, and these generally are experts in a wide range of technical and scientific fields.

The commission's vision statement is to strive for excellence in adding value to the Canadian grain industry. The CGC seeks to remain a leader in providing grain quality management and quantity assurance, and is dedicated to excellent and responsive service in support of producers, all sectors of the grain industry, and, of course, their customers.

The CGC regulates the grain industry to ensure the fair treatment of producers, the integrity of grain transactions, and to maintain grain quality as grain is moved through the marketing channels so customers are satisfied. The CGC, therefore, is central to the unique Canadian system of grain quality, uniformity, safety, and integrity which has proven successful in marketing Canadian grain over a long period of time.

Honourable senators, this legislation is the result of a very broad consultation. All the parties impacted by this bill were invited to participate in the discussions, and this legislation reflects the position of the large majority of the interveners.

The Canadian Grain Commission began its evaluation in February of 1991. A working document was submitted to 45 organizations representing producers, storage operators and marketing companies. In August of 1991, an additional working paper was submitted to the whole industry which resulted in further discussions with 57 organizations. A second series of consultations allowed further input. In November of 1991, yet another and further revision was made. In addition, discussions remained ongoing during all of 1992.

Bill C-51, therefore, is rooted in a process of extensive, responsive and honest consultation. As legislators, I am certain that we are dealing with legislation that is based on a democratic consultation, and that must please us all.

For clarification purposes, I will group the amendments into three main categories. The amendments will ensure enhanced competitiveness, more protection for grain producers, and new safeguards for Canadian taxpayers.

The grain industry, like all industries, is changing rapidly. To remain competitive in the global market-place, we need a regulatory and legislative regime that supports the shared concerns of all stakeholders. At the same time, we need an environment in which individuals and groups within the industry can compete successfully, adding, wherever possible, value to their efforts.

Bill C-51 is designed with these considerations in mind. As a result, the Canada Grain Act will be amended to strengthen the role that quality plays in Canada's grain industry. This will help reinforce the unique things that we do in this country in our grain industry which ensure that only the best grain varieties are developed, marketed and transported through our bulk handling system. This amendment affirms that quality will continue to be the cornerstone of Canada's grain marketing strategy.

Canada's commitment to grain quality will be strengthened in additional ways. For example, the definition of "contaminated grain" will be clarified, and the responsibility of elevator operators for safe handling of hazardous compounds and safe disposal of contaminated grain will be clearly spelled out.

As well, Bill C-51 affirms the commission's authority to set standards for the drying of grain. This is significant because improperly dried grain often only shows up after it has been processed, and the first person to become aware of that contamination is, unfortunately, the consumer. That would not enhance our reputation as a competitive grain marketing country.

Unnecessary, outmoded laws are a drag on competitiveness. In the spirit of removing such unnecessary laws, process elevators will not be required to undergo weighovers. A weighover is a procedure in which an audit is conducted to verify the tonnage in store, by grade. Weighovers make a great deal of sense when elevators which are handling grain do not own the grain.

• (1420)

However, for process elevators which own the grain they have in stock, to be forced to do weighovers seems somewhat ridiculous, and provides work perhaps only for bureaucrats, but with no advantage to the grain producer.

Also, in the spirit of removing unnecessary laws, the CGC will no longer be required to set maximum tariffs for elevators. Elevator tariffs are the fees that grain elevator companies charge for the services.

Honourable senators, government regulation of tariffs dates back to a time when producers were less able to protect themselves from the setting of unfair prices. Because producer-owned or controlled companies now control the bulk of elevator capacity in Canada, this kind of government involvement in tariff setting is, I would suggest, no longer needed.

This deregulation of maximum tariffs will proceed in stages. During a two-year transition period, the commission will retain the authority to set tariff ceilings by order if problems arise. I suspect that problems are unlikely, but we must make sure that we have not been precipitous in this area.

In the current crop year, for example, terminal elevator operators were given the power by the commission to set their own elevator tariffs. Generally, their increases were minor and essentially fair. This is a good indication that having the market-place set the tariffs will result, I believe, in fair tariffs. Still, honourable senators, safeguards will remain. Even after the two-year transition period, the commission will continue to have the authority to set maximum tariffs, if needed.

Bill C-51 will also provide much needed protection for taxpayers. In 1991, the Federal Court of Appeal ruled that the CGC was liable for losses sustained by producers in the early 1980s when two licensees went bankrupt, and the security they posted with the commission did not cover their liabilities. Canadian taxpayers were required to pay out more than $3.9 million, an amount equal to the difference between the security posted by the companies and their actual liabilities to grain producers.

Honourable senators, the Canada Grain Act was never intended to provide unlimited protection for grain producers. Unlimited business protection is unknown in any other industry, and Bill C-51 makes clear what protections are intended. Basically, the intent of these provisions can be stated as follows: While protection by security posted by CGC licensees is one of the rights producers have under the act, grain producers must assume some responsibility for their business dealings.

Therefore, Bill C-51 places the onus on the farmers to help minimize their risks. These include a provision which, by regulation, protects producers for a prescribed period from the date of delivering grain to a licensee. If producers decline to

accept payment for their grain within that period, they will not be eligible to be paid out of the licensee's posted security should that company fail.

Based on consultations the CGC conducted with producers and the industry, honourable senators, the prescribed period will be 90 days. There is a requirement that the farmer must notify the CGC within 30 days of a failure to pay, or default by a grain company. There is also a provision which places the onus on the farmer to determine if he or she is dealing with a duly licensed company. Only licensed companies must post securities with the CGC. Claims will not be valid if the farmer is dealing with an unlicensed company.

Honourable senators, Bill C-51 contains a provision which requires the producer to obtain CGC authorized documents from grain dealers and other CGC licensees, a provision that will permit the commission to set percentage limits on security coverage. The commission would not be able to use this particular regulatory power without Governor-in-Council approval. Currently, coverage is 100 per cent, and this will remain the case, at least in the foreseeable future.

Finally, the bill contains a provision which explicitly limits the liability of the Canadian Grain Commission to the amount of security posted by licensed companies with the CGC. This provision is designed to bring the protection enjoyed by grain producers more into line with security provisions common in all other areas.

Honourable senators, as I said earlier in my remarks, Bill C-51 was preceded by a series of in-depth industry consultations. These consultations demonstrate conclusively that the industry has changed, and that the Canada Grain Act must change accordingly.

[*Translation*]

After a consultation process, the authors of the bill prepared a number of legislative proposals that were examined and approved by the House of Commons. I strongly urge honourable senators to support this bill.

[*English*]

**Hon. Leonard J. Gustafson:** Honourable senators, I wish to make a few brief comments on Bill C-51, specifically relating to the area of change.

This bill deals with the changes that have come about because of the free trade agreement, which our government worked on for some nine years. I am very pleased to see that the government in power today passed that free trade agreement.

A number of things must change to meet our vision of agriculture for the future. First, prior to this bill, you could not legally move grain from the province of Saskatchewan to the province of Manitoba by truck, or from the province of Alberta to the province of Saskatchewan. We did not have free trade among the provinces in Western Canada. The activities in the grain market there were supervised by the Canadian Wheat Board. Bill C-51 changes that situation.

In her speech, the honourable senator said that some of the onus must be placed on the farmers. As the free trade situation opens up with respect to both continental and international trade, farmers will have to be more responsible with respect to who they sell their goods to. I support that concept. Some people have raised the issue that perhaps we are placing too much onus on the farmers. However, I suggest that farmers should be sure of who they are dealing with, in terms of security, when they sell their products.

For the most part, I believe that this bill opens up a new vision in terms of free trade opportunities, not only in continental trade but in international trade as well. We have some very good examples of this freer trade. The canola industry and other oilseed industries have become a $9-billion business in Canada.

As a senator, I am not supposed to have my tongue in my cheek on issues that are political matters, but as one who saw this free trade situation develop in North America, and then the GATT, these are exciting days for farmers. The administration which prevailed before this one accomplished many things. However, we must still strive toward our vision, and seek out opportunities to trade in new markets.

Honourable senators, I am very optimistic. This bill allows for the expansion of trade, whether it is the U.S. market, the Mexican market, the continental market or the international market. It also allows us to have free trade, at least in Western Canada, where trucks will be able to pass through the borders of the various provinces without breaking the law.

Honourable senators, I support the direction of this bill in general, and believe it is a step in the right direction.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Carstairs, bill referred to the Standing Senate Committee on Agriculture and Forestry.

## CANADIAN ENVIRONMENTAL ASSESSMENT ACT

BILL TO AMEND—SECOND READING

**Hon. Colin Kenny** moved the second reading of Bill C-56, to amend the Canadian Environmental Assessment Act.

He said: Honourable senators, I am pleased to address the house in support of proposed amendments, under Bill C-56, to the Canadian Environmental Assessment Act.

Canadians want to see environmental values incorporated into economic decisions. When this happens, they see that economic growth need not lead to environmental degradation. More than that, they are learning that, if we do things right, promoting a sound environment can have a positive impact on economic growth. This is the essence of sustainable development.

Honourable senators, to demonstrate its determination to fulfil its "Red Book" commitments, the government is proposing three amendments. These amendments have been carefully balanced to demonstrate the government's responsiveness to the ongoing concerns of all major stakeholders. The government is proposing to amend the Canadian Environmental Assessment Act to enshrine the principle of "one project, one assessment" in order to avoid costly duplication, to guarantee the existence of participant funding in order to promote effective public participation in the process, and to require a cabinet decision in order to respond adequately to the recommendations of independent environmental assessment mediators or panels.

Honourable senators, before I explain the benefits of these amendments I should like to reiterate that business and governments have an important planning and decision-making tool in the pursuit of sustainable development and environmental assessment. Environmental assessment is a systematic information-gathering process used to help make decisions that take into account the impacts of human activities on the environment. It involves an assessment of potential impacts of a proposed project on the ecosystem, the air, water, land and living organisms, and includes a study of social and economic impacts on affected human populations. Such assessments provide a solid basis for limiting or eliminating environmental effects and making timely, informed, enlightened decisions.

Environmental assessment provides a forum to discuss public concerns about environment and health. In turn, the process helps business and governments to meet their responsibilities for the environment and earn public confidence.

Honourable senators, the environment and economy are inseparable, and environmental assessment is the foundation upon which sustainable development can and must rest. Conducting an environmental assessment makes both good environmental and economic sense. As honourable senators are aware, properly applied, it ensures that environmental considerations are integrated into overall decision-making at the earliest possible stage in a project's life cycle or approval process. In turn, this minimizes or eliminates the possibility of unanticipated, and often very costly, remedies to downstream problems.

Honourable senators, the proposed amendments to the Canadian Environmental Assessment Act make a good thing better, and I shall outline why that is so.

First, industry will be pleased that the government is moving quickly to enshrine the "one project, one assessment" principle. This measure promises to provide important efficiency gains as overlap and duplication between federal departments is minimized. From now on, proponents can expect to obtain one coordinated set of requirements and one coordinated decision for projects in which more than one federal department is involved.

Second, the amendment to require that the cabinet respond to panel recommendations will ensure that all ministers, with their different responsibilities and regional representation, may have input into decisions. More to the point, the Canadian Environmental Assessment Act, both explicitly and implicitly, seeks to strengthen a growing new culture within federal decision-making circles, one that is more sensitive to environmental concerns. It does so in part by making all departments and agencies accountable for the environmental consequences of the decisions they take or those they fail to take. Accompanied by the amendment introduced under Bill C-56 requiring cabinet to review the recommendations of mediators and public review panels, this sends a powerful signal about the government's commitment to the environment.

Finally, the decision to include an amendment obliging the Minister of the Environment to establish a funding program for public participation in a review by a mediator or a panel is an equally positive development for industry in two ways. First, it may provide proponents with valuable information they might otherwise not have been aware of vis-à-vis the long-term viability of the proposed endeavour; and, second, it ensures that those who will be impacted by the proposed development will have their say prior to, rather than after, irrevocable decisions or investments in the project have been made.

Honourable senators, stripped to its essentials, environmental assessment means good planning — planning that is as good for the environment as it is for the bottom line of Canada's business community. Recent studies indicate that, on average, environmental assessments comprise less than half of one per cent of capital expenditures associated with projects. These costs are typically recouped later through more expeditious regulatory approval. More to the point, advance planning minimizes the risk of more costly redesign and refitting of projects because of their unanticipated consequences.

Honourable senators, I have outlined for you a number of good reasons why I believe the Canadian Environmental Assessment Act is good for Canadian industry and good for Canada. This legislation is fair, balanced, efficient, and it is a positive piece of legislation. This legislation, along with amendments, deserves the support of senators.

**Hon. Mira Spivak:** Honourable senators, I thank Senator Kenny for his lucid defence of the amendments to the Environmental Assessment Act. The bill contains many laudable features which deserve support, but there are also some major deficiencies.

The legislation to be amended by this bill has a protracted history. The previous government began late last decade to address the difficulties in an environmental assessment review process which was founded not in a law enacted by Parliament but in a guidelines order issued by cabinet at the eleventh hour by the previous Liberal government.

Judicial interpretation of that guidelines order created a climate in which the operating law was virtually unknown. Court rulings on the Rafferty-Alameda and the Oldman Dam projects appeared to create new law yearly, often more frequently. Clearly, an act of Parliament was required to end a situation in which proponents of major developments, environmental advocates and governments could not foresee, from month to month, the rules which would govern the critical matter of putting the plans of governments or the private sector to the environmental test.

Five years and a great deal of debate later, we have this act and the amendments. I need not remind honourable senators that the bill which we approved in 1992 was not without its flaws. The weaknesses were well covered in the report of the Standing Senate Committee on Energy, the Environment and Natural Resources — then under the chairmanship of Senator Dan Hays — under the section entitled, "The Bill Does Not Go Far Enough."

• (1440)

Prior to their election, members of the current government appeared to agree with that assessment. They promised the electorate to "legally recognize intervenor funding as an integral component of that assessment process." As Senator Kenny has outlined, Bill C-56 provides for such funding. They further promised to "give teeth to the independent Canadian Environmental Assessment Agency." They promised that the agency's relationship to government would be roughly similar to that between the CRTC and cabinet. That is most certainly not the case here. In fact, by Bill C-56 and by recent administrative rulings available only to those who have access to cabinet documents, they are not distancing the environmental review process from political, potentially partisan considerations, but going in the opposite direction. Given the past history of major projects being excluded from the environmental assessment process by cabinet, this portion of the legislation does not represent progress.

It was the charge that the review process had fallen victim to political considerations, and thus been ignored, which prompted the first court challenge to the guideline's order in respect to the Rafferty project. Environmental advocates were legitimately outraged that a review of the dam had not been conducted. In their view, front-end politics had denied Canadians the right to consider the harm to the environment of that development. In introducing this bill, the previous government gave Canadians a clear and noble process for all to follow. By failing to fulfil its election promise and introducing Bill C-56 and administrative measures in recent months, however, this government is increasing the likelihood that budget restraints or political considerations will override environmental considerations.

I want to elaborate, but first let me give credit to the bill's positive aspects. Bill C-56 would require the government to create a program to fund public participation in mediation and assessment by review panels. This is a great improvement. As the act stands, a participant funding program is allowed, but not required. In practice, however, the amendment proposed in Bill C-56 may result in only a modest improvement.

The previous government made funds available to participants through the Green Plan. This fiscal year alone some $1.4 million will be given to participants in six public reviews. The strength of any new participant funding program will certainly depend on the level of commitment of funds to the program. That remains to be seen. It is commendable that this government is making the commitment in principle. Certainly, informed Canadians must be given the opportunity, through access to funds for research into highly technical areas, to present their perspective to panels or mediators.

Bill C-56 would also require the use of previous environmental assessment work conducted when a project is put on hold and then reactivated. This is turning something which the act allows into something which would be mandatory. It is conceivable that this provision will save time, effort and considerable taxpayers' dollars in any future assessment of, for example, the Great Whale project, if that project is revived.

It is good commonsense not to force project proponents, government or environmental defenders, to begin at the starting line when a project is revived. At the same time, care must be taken that any significant new information about a project's environmental impact that arises during the period of delay is also considered. The amendment proposed by the Commons Standing Committee on Environment and Sustainable Development corrects an important oversight.

Bill C-56 would also give full cabinet the right and duty to consider all reports by environmental assessment review panels or mediators. Only with cabinet approval could any minister or government agency respond to the findings or recommendations of those independent individuals charged with weighing the facts and proposing a solution. The Minister of the Environment has cast this amendment in its most favourable light. On October 31, she told the Commons:

> We are not just talking about ending backroom pressures to overturn environmental assessment. We have introduced legislation to take away the ability of any individual cabinet minister to overturn those decisions.
>
> The new law puts the onus on cabinet to respond to those recommendations. In the name of fairness and openness and in order to make sure that everything is completely transparent, we are acting to make sure that the whole government by virtue of cabinet is responsible for environmental assessment decisions.

My own opinion is that it is not a forward step but a huge leap backward from the promise to the electorate in the autumn of 1993 that:

> A Liberal government will amend the *Canadian Environmental Assessment Act* to shift decision-making powers to the independent Canadian Environmental Assessment Agency, subject to appeal to the Cabinet. The agency's relationship to government would be roughly similar to that between the CRTC and Cabinet.

Under the Broadcasting Act, the CRTC does have considerable decision-making authority. It is not the case that each and every decision arrived at by commissioners is routinely presented to cabinet. Under section 28 of the act, the commission's relationship with cabinet is set out as one that gives cabinet the last word only on matters of the issuance, amendment or renewal on a broadcasting licence, and only when one of the parties referenced in the commission decision launches a specific appeal to cabinet. Only then does cabinet have the power to set aside a decision or to instruct the commission to reconsider. Should the commission again reach a decision which is not to cabinet's liking, again a specific appeal must be launched and cabinet can finally set the decision aside. In short, that is considerable authority. It is an arm's-length body.

By contrast, the Canadian Environmental Assessment Agency will be a weak cousin, administering the environmental assessment process but having little or no say in its outcome. That is not what was promised.

Those who support the government's altered position may well contend that, in making the full cabinet responsible, the potential that any single minister's ability to play politics while ignoring the findings of a panel or mediator is diminished. I take the position that the potential for the full cabinet to set aside sound environmental judgment in favour of shorter-term economic and federal-provincial concerns is enhanced.

In recent months the government has demonstrated precisely how little authority it is prepared to give the new agency. In October, in an attachment to a cabinet document, it set out the rules by which departments can gain access to a centrally administered pool of money to undertake an environmental assessment. It cannot have access to that pool if the department is the proponent of a project. It cannot have access to that fund to review private sector projects of concern if there is no regulatory trigger for a review; that is to say, if the laws it administers are not included in the list of triggers listed under the CEAA regulation.

By way of example, if Natural Resources Canada thought it best to call for a review of a private ski development in one of our national parks, a development that only required the issuance of a tree-cutting licence, it would have to find the money in its own tight budget, or it would have to forget about that environmental defence. Perhaps most important, it is not the new agency that will administer the pool, it is Treasury Board.

These are the new rules, and they are beyond scrutiny. The Minister of the Environment suggests that with this amendment in Bill C-56, everything is transparent. It is precisely by placing matters before cabinet rather than an independent, arm's-length agency that everything becomes shrouded beyond the reach of public scrutiny, protected from disclosure even through the Freedom of Information Act.

As an excellent research paper produced by the Law and Government Division of the Library of Parliament Research Branch observed, if a minister or a government department decides to approve a project, there appears to be no obligation to inform the public. Nor is there any way for the public to be certain that the action is consistent with cabinet's approval. The researcher asked these sensible questions:

> How would the public know if the proposed course of action was consistent or inconsistent with cabinet's approval? In cases of inconsistency, who would sound the alarm? Would cabinet? Would the intervention be timely? The bill provides no answers to these practical questions.

The solution, I suggest, is not for the government to centralize the decision-making authority in cabinet and the control of the purse-strings in Treasury Board, but to fulfil its campaign promise and give real teeth to an independent Canadian Environmental Assessment Agency.

Bill C-56 is deficient not only in what it does but in what it does not do on another important matter. When the minister appeared before the Standing Senate Committee on Energy, the Environment and Natural Resources in June, she informed us of some of the amendments under consideration at that time. In answer to a question which I put to her, she said clearly that one of the amendments dealt with the aspect of incorporating the assessment of government policy, not just government projects, into the act. She said:

> ...I think that if you go back to the comments of the Liberal critic at the time the CEAA was originally proclaimed, the Honourable Paul Martin, he felt that policy assessment was an element that would be a positive addition to the act, and that is one of the discussions we are having.

The bill before us makes no mention of requiring the government to assess new agricultural policy, transportation policy, economic policy, or any new policy that can and does have a major impact on the environment.

Honourable senators, Bill C-56 presents improvements to two aspects of the Canadian Environmental Assessment Act. It gives, however, less than was promised. There is clearly room for further improvement.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Kenny, bill referred to the Standing Senate Committee on Energy, the Environment and Natural Resources.

• (1450)

## CANADA'S DEFENCE POLICY

REPORT OF SPECIAL JOINT COMMITTEE—
DEBATE CONTINUED

On the Order:

> Resuming the debate on the consideration of the Report of the Special Joint Committee on Canada's Defence Policy entitled "Security in a Changing World," tabled in the Senate on October 31, 1994.—(*Honourable Senator Forrestall*).

**Hon. J. Michael Forrestall:** Honourable senators, I rise today to take part in this all too brief debate on Canada's new defence policy.

Defence is something that is very dear to my heart, having lived in and grown up in the military environment of Halifax. I was particularly pleased and grateful to have been named to serve on our Senate committee.

As senators have been very quick to point out, this is the first occasion on which a full-scale review of defence policy has been turned over to our committee. It gave us an opportunity, together with Canadians from all walks of life, to examine and review where we are and where we are going after the events in Europe started by the removal of the Berlin Wall.

Our review was different from other reviews undertaken in countries such as France, Australia and the United States in that it was undertaken by parliamentarians and not by departmental officials. It gave parliamentary participants an opportunity to talk not only to serving military and former military but also to some of the peace organizations. We have spoken widely, and we have been advised generally wisely by Canadian people.

Today, I want to concentrate on three areas that have not been touched on in any depth by earlier speakers, and they are the replacement of ship-borne search and rescue helicopters; the question that I refer to as the "Cornwallis concept," the concept of a peacekeeping training centre for Canada; and, finally, if there is a moment, process.

Peacekeeping has changed; there is no question about that. It has become peace-building. Perhaps more often lately, it has become peace-making. People trained as war fighters are now being challenged to find ways to provide clean drinking water, food, clothing and shelter to people in war-torn areas.

We heard evidence about the type of person it takes to be a peacekeeper today. We saw it firsthand in Bosnia. A person has to be a fully trained combat-capable individual. He should be a member of the military. However, his skills have broadened so much that he may not necessarily have to be a member of a military group. He must be tactful, and have the patience of Job. He has to understand the culture and the history of the people among whom he is working. We require our peacekeepers to act as mediators. They build roads, lay communications, and do humanitarian work, as we see daily on television.

In a report by the Subcommittee on Security and National Defence of the Standing Senate Committee on Foreign Affairs in February of 1993, it was recommended that:

> The subcommittee recommends also that, within the general curriculum of the Canadian Forces at military staff colleges, officer training programs and the like, more emphasis be placed on dispute settlement and conflict management programs, as well as on the United Nations, regional organizations, and peacekeeping history and practice. Once personnel are assigned to a specific foreign locale, they should be specifically instructed in the history, tradition and culture of the country to which they are being sent.

I believe that, in recent years, Canada has developed a very special expertise in this area. We were told this during our visits to Europe, the United States, the former Yugoslavia, as well as during our visit to Italy. We were told of the expertise that we have and the value of that expertise to the United Nations.

I would want to use this special expertise to assist the United Nations in the mandate that seems to be developing, in the sense that it would form the basis of a very worthwhile higher educational centre, perhaps located at Cornwallis, which would be complementary to some of the efforts being made on the West Coast at the Lester B. Pearson College. We could invite the military, civilian and non-governmental organization leaders for the type of training that would enable them to understand one another better.

We learned that it was very confusing to enter upon a project only to find that another country involved in the peacekeeping action with you had not the vaguest idea of what you were doing; did not know what to do next; and did not know how to establish liaison in the communities and villages. It would be good to approach these common requirements of cultural understanding and historical appreciation from an educational point of view.

We could train leaders from around the globe, including leaders in countries that are not involved in peacekeeping actions, to be prepared to respond appropriately when, God forbid, some of the conflagrations that we are involved in in many parts of the world spread to their countries.

• (1500)

A French general once suggested that a BA level of education was sufficient for an officer to lead troops into battle. That was probably quite true. Today, a Master's degree is not sufficient to lead men and women into peacekeeping and peacemaking challenges. Indeed, they need PhD. level instruction. Those are two euphemisms that suggest how far we have been forced to come because of the changing nature of the role we are now thrusting upon young men and women fighting for Canada.

Honourable senators, we have a golden opportunity to show leadership and to participate much more actively than we are in the establishment of a common centre, to bring together the loose ends that plague the United Nations, command and control being just another one.

I wish to speak briefly, honourable senators, about ship-borne helicopters and search and rescue helicopters. There is no doubt about the useful lives of the two pieces of equipment we have in place now. They are on their last legs and must be replaced. That fact was recognized by the committee in its report and by the minister and the government in its paper. However, I continue to be concerned about the absence from that paper of any firm indication of the nature of these two pieces of equipment.

First, it should be one piece of equipment. Second, it should be a piece of equipment that bears some reality or relationship to the harsh North American climate in which we live. Given our geography and location, we have extremes of cold, fog, rain, fires and avalanches. It is not surprising, therefore, that search and rescue incidents arise quite frequently, and they must be met by specialized pieces of equipment.

I should like this chamber to urge upon the government a set of specifications that will sound surprisingly like the EH-101. That is a battle I will not fight on this floor. Rather, I am requesting that we look at equipment that will have a range of some 550 miles, plus its reserves; a speed of 160 knots; a hovering capability at 8,500 feet, and the capacity at 8,500 feet to recover from a lost engine; the capacity to carry, besides crew, nine people; the capacity for day and night all-weather operational capability, including — and this is perhaps the most important factor — the capacity for full de-icing; and the capacity for in-flight refueling so that we might, from time to time, engage in a very useful role as the Hibernia project develops.

Honourable senators, the same can be said for the ship-borne helicopter. It extends the range of the surface ship. It is no longer a piece of equipment merely to satisfy anti-submarine warfare, although God knows there are more submarines out there belonging to more nations today than there were five years ago. Rather, it is a piece of equipment that can be employed — and we have seen the beauty of this — in drug interception, and monitoring the smuggling of aliens into our country. More important, we built ships to carry these helicopters, so why not put good helicopters on them?

Finally, honourable senators, I wish to reflect on the question of process. As I have said, the committee worked long and hard. We visited widely. We had, as we started out, what I thought was the freedom to think, respond, react and assess information that came to us from all sources, and then to weigh that information and write a report.

As much as I love Admiral Mifflin, I found from time to time that the presence of the parliamentary secretary on the joint committee was a bit inhibiting. It was just a bit difficult to exercise freedom. I gave consensus where freedom was, at times, given grudgingly.

I refer honourable senators to the McGrath report of 1985 on the reform of the House of Commons. One of its recommendations was that the parliamentary secretary should not sit on standing committees because his presence limited the work of committees. It put the government on the committee, which led to the potential to interfere with the independence of the committee.

The rules of the other place were changed in 1985 to preclude parliamentary secretaries from sitting on committees. This worked well for a number of years, but in the early 1990s, the rules were changed to once again allow parliamentary secretaries to sit on committees. This change came about as a result of a request by committee chairmen to have ongoing and closer relationships between the government and the committee itself.

Honourable senators, I think McGrath had it right, especially in relation to committees. I believe the joint committee did not go as far as it could have in the recommendations because of strong exceptions taken from time to time by the parliamentary secretary.

I submit, honourable colleagues, that special committees are useful. They allow members of Parliament to study particulars in great depth and make recommendations to the Senate and House of Commons on issues of policy. However, their usefulness is limited if they are constrained in their recommendations by the presence of government. I submit that the government, when considering the membership on special committees, seriously reconsider its position with respect to the presence of the parliamentary secretary.

Honourable senators, I make these remarks not to be critical of that distinguished sailor, but rather so that committees can feel free and feel that they are acting in the best interests of all concerned.

In the words of a very distinguished Nova Scotian, Robert Stanfield, on his Christmas card to me this morning, he said, "May I wish all of you and all Canadians a better 1995 and pray God that we all deserve it."

On motion of Senator Berntson, debate adjourned.

## FUTURE OF AGRICULTURE IN CANADA

### CONSIDERATION OF INTERIM REPORT OF AGRICULTURE AND FORESTRY COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the fourth report of the Standing Senate Committee on Agriculture and Forestry entitled: "New Realities and Rough Choices: From Agriculture to Agri-Food," tabled in the Senate on December 13, 1994. — *(Honourable Senator Hays)*

**Hon. Dan Hays:** Honourable senators, in speaking to the report which was tabled in the Senate yesterday and in the House of Commons, my first remark must be to Senator Orville Phillips. I notice an error in the report where we have designated Senator Phillips as "P. Michael Phillips" rather than by his correct name, Orville. This error was drawn to my attention by several people. I regret any consternation Senator Phillips may have experienced as a result of this error. I will see that it is corrected.

The other observation I would make is that this is a study which arose pursuant to a study by both the Senate and the House of Commons Agriculture Committees. I will refer to them by that short name.

Accordingly, we see in the interim report of the committee, which was tabled, the request for government response signed by Mr. Speller, the chairman of the House Agriculture Committee. This has also been drawn to my attention. It is part of the text because we, together, have approved exactly the same report after a vote of all parties who participated, including the opposition party here, the Official Opposition party in the other place, as well as the other recognized party in the other place.

The title of the report tells the story: "New Realities and Rough Choices...." This is a time of great difficulty in the agricultural sector. The purpose of the two committees' study to this point, and into the future, we hope, is to seek input on a long-term strategy to take the agri-food industry into the next century.

The term, "agri-food," I know, grates on Senator Spivak's ears. This is not about poetry but, for some reason, we have chosen this generic term to describe a most important industry. I know Senator Spivak regrets that we have not come up with a better term.

Long-term decisions are often influenced by short-term priorities. The committees felt it was important to give the Minister of Finance and the Minister of Agriculture and Agri-Food some direction before the presentation of the 1995 federal budget. To do that, it was important that the interim report be tabled this month. We have achieved that end.

We note that agriculture is undergoing great changes at the present time. Agreements such as the Uruguay Round of the GATT, or its successor the World Trade Organization, and the North American Free Trade Agreement, have established new rules of the game for agricultural trade. In the past, agriculture policies were often, indeed usually, proposed in response to emergency situations but were maintained, with some changes, when the emergencies had passed.

There is a good description of the environment of policy developments set out in the report going back to the beginning of the century through the Depression, including the responses which have followed crises. We are in a sort of crisis now with our budgetary constraints and yet, in the world today, in excess of $300 billion is spent every year to subsidize the primary agriculture commodities. As one can imagine, that has had an enormous effect on international prices.

In any event, crisis policy development has been the order of the day. It has led to not only ever-greater government intervention but also to a set of policies which were not always well coordinated. It is increasingly important that there be consistency of approach throughout the agri-food chain if Canada is to compete internationally under the new trade rules.

In recent months, the committee listened to the views of farm organizations, academics, food processors and distributors on the agri-food industry and how the government can best help achieve their goals. We had some 21 hearing days. We heard more than one witness on some of those days and have, to date, heard from more than 30 witnesses.

The primary sector of agriculture accounted for 2.1 per cent of Canada's gross domestic product in 1993. The entire agri-food sector accounted for 8 per cent. This represents a significant contribution to the gross domestic product of the country and of all provinces individually, although the importance of agriculture does vary from province to province.

The Department of Agriculture and Agri-Food absorbs 1.4 per cent of the total federal budget, and its budget, both in terms of transfer payments and operating expenditures, has followed a downward trend since 1991-1992. Direct payments received by farmers totalled a net $2.2 billion in 1993, which is a 30-per-cent reduction from the year before.

The federal expenditure for farm income safety net programs has fallen in recent years to an estimated $800 million in 1994-95, versus $2 billion as recently as 1991-92. Furthermore, primary producers have experienced declines in expenditures under the Western Grain Transportation Act. The value has decreased from about $725 million in 1990-91 to an expected $560 million in 1994-95, a drop of 23 per cent. If what we hear is correct, in the process, the ministers responsible will change the method of payment under the Western Grain Transportation Act from the railways to some form of payment to the producer.

The point is that this has been a declining amount paid under that historic payment to the west. The last two budgets saw a decline of 23 per cent, and we fully expect to see a further decline. The recommendations of the report are for no further cuts in agriculture research and development and a freeze in safety net payments. This report comes at a time when there has been a dramatic decline in public dollars spent in the agriculture sector.

Once the new GATT-World Trade Organization agreement is ratified, the aggregate measure of support is to be reduced by 20 per cent from the base period of 1986-88. Canada's aggregate measure of support was estimated at $5.36 billion in 1986-88. In 1993, the number was $3.3 billion, which is a reduction of 38.6 per cent. This is 18 per cent more than the minimum reduction required under the GATT.

There is ample room, then, to do nothing if we choose. We are not obliged under that international agreement to take aggressive steps to reduce in that area. We have already done it. Undoubtedly, we will continue to do it. It is in that context that we must look at the revision of programs and the cutting process that the Minister of Finance is going through at the present time with the department.

On the issue of research and development, the Minister of Agriculture and Agri-Food presented to the committee and to the agricultural constituency a vision statement, "Future Directions for Canadian Agriculture and Agri-food." As a part of that, the committee and the minister feel it is very important to achieve a target of $20 billion in exports of agricultural goods by the year 2000 and, to the greatest degree possible, further-processed goods or value-added goods.

• (1520)

It is essential that certain areas of agriculture crucial to its long-term viability and its contribution to the gross national product, not be compromised. We were told that research and development is absolutely essential to our success in that area.

The report deals with imaginative new ways in which we are carrying that out as a joint exercise with the private sector, and with other public sector institutions such as universities and provincial governments.

In June, 1987, the then subcommittee of the National Liberal Task Force on Agriculture, Research and Development, which I had the pleasure to co-chair along with Dr. Morris Foster, visited most of the research and development facilities of Agriculture Canada. In their report, the subcommittee said that the extension of agricultural technology, as well as determining the research and development needs of the agriculture community, is extremely important.

The subcommittee also said:

> It is important to note that long term budgeting plays an important role in the dynamics of research and development. Once turned off, scientific research is not something which can be quickly turned on.

It is an area of initiative, public and private, that requires continuity, and it is extremely important that we observe that now at this time of budgetary crisis, and that we somehow continue to carry out this important support for Canadian agriculture.

Another important area is food standards. The agri-food industry is moving to take over many responsibilities for marketing a quality product. Nevertheless, federal food standards continue to ensure both a safe food supply and a quality that helps maintain our competitive edge in both our own markets and export markets. Health and safety of food must not be compromised in any funding cutbacks. More than ever, innovation, entrepreneurship, good market intelligence and information are a prerequisite. Government can play a useful role in supplying the information needed to fill niche markets.

[*Translation*]

Agriculture is a way of life, but it is also a business which must increasingly face the same challenges as other commercial sectors in Canada, except that farmers must face an additional, powerful and unpredictable challenge: the weather.

Market globalization also presents another major challenge to Canadian producers, since they are often caught in the crossfire of agricultural subsidies by the United States and the European Community.

Some witnesses told the committee that current budget restrictions might be perceived as an opportunity to restructure farm income assistance programs. However, that must not be used as a pretext to ignore the basic need of farmers to stabilize their income, given the uncertainty generated by the weather and the sometimes artificial fluctuations of international markets.

When world prices are high, and when there have been no natural disasters, such as a drought, in a long time, people tend to forget that such things can happen at any time. Moreover, as long as Canada's trading partners keep subsidizing their agricultural sectors, it will be essential to maintain reliable and predictable farm income assistance programs so that our farmers can compete in world markets. Budgets may be smaller, but it is always possible to do more with less.

[*English*]

In the area of rural development, Canada has witnessed increased urbanization over time, which has had implications for the proportion of agricultural land in agricultural production and for rural communities. The decline in the number of agricultural producers has had negative implications for rural infrastructure, with the closure of hospitals, schools, stores and other services. As well, many farmers feel that urban Canadians fail to understand agriculture, its pressures and the rural way of life

In addition to the important role that is played by a healthy agricultural community in contributing to rural development, value-added activities are critical. Some of these initiatives may be related to agricultural products, while others may not, such as small business and tourism. Certainly, government policies and programs must facilitate, rather than inhibit, the development of value-added enterprise. Rural communities and value-added activities also have a role to play in creating the employment opportunities that are so important for the many farm families who need off-farm income in order to live. In sum, the preservation of rural communities is in the best interests of, and is extremely important to, all Canadians.

To conclude, I will quickly go through the eight recommendations that were made by the committee. The speech that I have given is an elaboration on those recommendations, together with the text of the report, which is some 21 pages.

The recommendations are that the Department of Agriculture and Agri-Food retain prime responsibility for agri-food research and development. We heard from some witnesses that this is in response to the concern that there may be some rationalizing of R&D in a way that would leave agricultural R&D isolated, or in a place where it would not be sensitive to the needs of the sector.

The committee recommends that in view of R&D's critical role in achieving the agri-food sector's goals of increased competitiveness and continued viability, funding for Agriculture and Agri-Food Canada's R&D program be maintained at current levels. Undoubtedly, more can be done with the money that is being spent, or it can be rationalized in a better way. That is not an indication that everything is in order, but rather an indication that that level of support is needed.

The committee recommends that the Department of Agriculture and Agri-Food give priority to R&D programs that encourage proactive partnerships between industry, governments and universities in carrying out R&D that meets the needs of end-users.

The committee recommends that, given that food safety and quality must not be compromised, Agriculture and Agri-Food Canada should continue to be responsible for their regulation with respect to the public good, notwithstanding any budgetary reduction the department may face. In that area, about 13 per cent of current spending goes to R&D and about 13 per cent to the inspection service. These are areas where cuts must be watched very carefully.

**The Hon. the Speaker:** I regret to interrupt you, Senator Hays, but your time is up.

**Senator Hays:** If I might have leave, honourable senators, I will not be more than three or four minutes.

**Hon. Senators:** Agreed.

**Senator Hays:** The fifth recommendation of the committee is that Agriculture and Agri-food Canada pursue more aggressively "one-window" access and other innovations designed to integrate market information and market intelligence, and to expedite their delivery. That is an extremely important initiative on which almost everyone agrees. If we are to go through the revolution that we anticipate in the agricultural sector, we need the best possible market and other information, including weather, that we can possibly have. Government has a role to play in helping disseminate that information and getting those signals out.

The sixth recommendation, now that Canada has met its World Trade Organization commitments in terms of domestic subsidy reduction, is with regard to the option we have of freezing until the end of the century our current income protection programs. It is important that we have continuity there. If we stop the evolution of the programs, we send the wrong signal to farmers.

Farmers must participate in their own well-being. Government will help them. However, too often what has happened is that when we face a crisis, our hearts go out to the farm community, and we do something about it, only to say afterwards, "Next time you must be a participant yourself." Let us not lose sight of the fact that we have done that over and over again, and we must now send a strong signal to the agriculture sector that, if they want help, they must themselves be responsible for the biggest part of that help and participate in these programs.

Recognizing the linkages between the agri-food sector and rural development is the seventh recommendation. The committee recommends that the federal government assess agri-food policies and measures that inhibit the value-added processing and other development activities that contribute to the viability of rural communities. It is very important that we recognize the importance of those in supporting rural life.

Finally, the committee recommends that the government ensure that future federal agri-food policies and programs encourage primary producers and processors to make decisions that contribute to environmental sustainability. Specifically, the government should be required to undertake an environmental impact study of any major agricultural food policy or program change. That is obviously important in that if we have policies that encourage bad practices — and summer fallow might be one of those — then that is something that comes at a very high cost in terms of supporting an activity that is bad for the environment, plus the loss of soil or environmental degradation.

Honourable senators, those are my comments on the report. I thank other honourable senators who participated actively in the hearings, and there are many of them, particularly the Deputy Chairman, Senator Gustafson. We look forward to continuing our work in the new year and producing a large, final report in the spring.

**Some Hon. Senators:** Hear, hear!

• (1530)

**Hon. Brenda M. Robertson:** Would the Honourable Senator Hays permit a question?

**Senator Hays:** Of course.

**Senator Robertson:** As the honourable senator knows, I am not a member of his committee. However, from listening to his remarks with interest, I believe I understood him to say at one point that there was some opinion which would recommend that the subsidies from grain transport be transferred to the farmer. Could the honourable senator explain that, please? Who is pushing for such a position?

**Senator Hays:** I am referring to recent comments made by the Minister of Agriculture. One of the numerous study groups which is active at the present time is looking into this matter on behalf of the minister with a view to making a recommendation. Pursuant to consultations, the minister has undertaken to render a decision on that matter early in 1995.

As the honourable senator knows, the WGTA is something which started in 1897 or thereabouts. It is referred to in the report. It has evolved to where it now provides a quantified amount as opposed to statutory rates that are paid to the railways to help move qualifying commodities to tidewater.

There have been innumerable studies on how to change that provision and to make a more successful support program in terms of value-added, et cetera. My reference is to the minister's statement that we will see a change in that next year.

**Senator Robertson:** I thank the honourable senator for his comments.

The Atlantic Canada freight rate subsidy is being phased out this year. There is a significant historical pattern in Canada relating to that subsidy. I shall be interested in seeing the relativity that develops between the two patterns.

**Senator Hays:** As will I, honourable senators.

**Hon. Stanley Haidasz:** Honourable senators, I was impressed by the report of the Standing Senate Committee on Agriculture and Forestry. In view of the important effects on health which are due to the products manufactured by the food processing industry, did the committee, chaired by the honourable senator, study the area of processed foods?

**Senator Hays:** In a couple of ways we did, yes, honourable senators. In 1993-94 we spent in the order of $290 million on inspection and regulation. It is extremely important that we not compromise food quality or safety. The committee was told by witnesses that this is important. Accordingly, we recommended that we not make any cuts that would put us at risk in this area.

We also heard a lot about the subject in terms of further processing of primary agricultural products being a means of enhancing our export opportunities. We have numerous food laboratories in Canada. We have a number of initiatives under way in the area. If we want to achieve $20 billion in exports by the year 2000, which is roughly a doubling of our exports, then we will have to do it in that area. Holland and the United States have been most successful in this area. We would like to copy that success.

**Hon. John Lynch-Staunton (Leader of the Opposition):** I should like to ask Senator Hays a question on the budget. The total amount is $144,000 and a bit. Our share is that which is marked with an asterisk in the full report, coming to $22,000?

**Senator Hays:** I do not have the exact number. However, by way of general comment, the agreement is that the Senate would cover half the cost of interpretation and so on; that is, the hard costs of the study outside of Ottawa, and that each of the committees would look after their own transportation costs. In the House of Commons, the committee has received subcommittee approval for their budget. They are in the process of receiving the necessary approval from the House. We are committing here that the Agriculture Committee will pay for travel out of its budget. There is a difference between the two.

I do not know whether I have answered your question, Senator Lynch-Staunton.

**Senator Lynch-Staunton:** In the explanation of the cost elements, it says that items with an asterisk are the Senate's share, and my totalling of those items brings a result of $22,300. Is it correct that our share of this budget is limited to those items which have an asterisk, which are seven in number and total $22,300?

**Senator Hays:** Yes.

**Senator Lynch-Staunton:** I hope it will be noted somewhere that we should not be called on to pay a greater share.

**Senator Hays:** I am not sure where we will put that note, but with the help of my clerk, I will find a way to do that. It is on the record in the chamber here.

**Hon. Mira Spivak:** Honourable senators, I have a few comments to make on this report. It was a great privilege to sit on the two committees which met jointly. I must say I learned a great deal from my colleagues Senator Hays and Senator Gustafson which supplemented my early experiences on the farm in the Interlake in Manitoba.

As a document that reflects the range of concerns presented to committee members during our many hours of hearings, I think this report could more aptly be dubbed a preliminary report rather than an interim one. It does present, as Senator Hays has pointed out, several significant conclusions which, in fact, are good starting points or first principles. Those include, of course, that Canada must maintain an acceptable level of food self-sufficiency, that Canada can benefit in the emerging environment of liberalized trade with the right domestic policies, and that Canada must not lose sight of the primacy of our primary producers. In the words of the report, we must not disarm them as we change the rules. I find it a little difficult to adjust to the language, as Senator Hays points out, which is the language of the corporate world and no longer the language of the family farm. The world has changed.

These are sound principles. They are important to Canada's food producers, including those in my home province of Manitoba. They are important to food processors, those who work in the transportation industries, food distributors, retailers, those who live in rural communities, and ultimately to all Canadians who, as consumers, enjoy one of the world's lowest rates of food expenditures as a percentage of their family budgets.

I am pleased that the committee makes the further admission that we are not yet in a position to propose a long-term strategy for Canada's agri-food industry. We have not heard yet from people elsewhere in Canada who have not had the opportunity to appear before us in Ottawa. We need that input, and I certainly hope that the committees will, as stated, undertake the travel slated for the new year and listen to Western Canadians and Canadians all over Canada.

This report has been cast as a pre-budget document, a message to the government that it would be unwise to reduce federal support for agriculture and agri-food in several crucial areas.

• (1540)

Included in its eight recommendations, as Senator Hays has read them, are two clear, pre-budget suggestions: maintain the current level of spending on farm income protection until the end of the century, and hold the line on funding for research and development. These are not modest proposals, and they are essential.

As Statistics Canada data shows us, without income protection and other payments and rebates from Ottawa and the provinces to farmers, farmers across Canada were in the red three years out of the last seven. In Manitoba, government subsidies were the only reason that farmers did not suffer a net loss in five years out of those seven.

Honourable senators, as the interim report rightly notes, as a result of the GATT we are entering a period of adaptation, but more than 50 years of income protection programs cannot and should not be changed quickly.

We also need to invest in basic research. We must take the long-range perspective. For example, the $9-billion canola industry would not have developed without the government's investment in basic research. That is an important point because the trend now is to look at research which quickly benefits the industry, but that is not always the case.

The committees are essentially telling government to hold the line. They are not advancing any of the specific economic instruments proposed by such groups as the Saskatchewan Association of Rural Municipalities or the National Farmers' Union. The SARM, in an excellent brief, offered several specific suggestions which I hope the Minister of Finance will consider. Included in those suggestions were: the creation of the agriculture equity fund to encourage investment in agriculture, the allowance of RRSP funds for the purchase of farm land, and the creation of loan or business programs directed at farm women. Those are clearly missing.

The NFU warned that, without a safety net, hog producers are particularly vulnerable. It clearly called for one. If the Finance Department is in search of ideas to ensure that Canadian agriculture and agri-food industries contribute to the GDP in the long term, officials will have to go beyond the committee's report. However, that would naturally be done because this is just a preliminary report.

Honourable senators, there are two other matters that I believe deserve more attention than the report reflects. The first concerns the wealth of factual information laid out by former MP Ralph Ferguson. He was a Minister of Agriculture, not just a member of Parliament. His three-year study clearly showed that farmers are not getting a fair share of the consumer's food dollar. They suffered input costs that rose 16.5 per cent in the last decade, while farm product prices, overall, stayed steady. While this was happening, consumer prices for products, particularly those not controlled by marketing boards, increased as much as 235 per cent.

In the latter part of the decade, food manufacturers averaged a rate of return on assets of close to 17 per cent. Distributors did slightly better. The toiling producer, the farmer, had a rate of return of just over 6 per cent before being paid for his or her labour. No one could reasonably call this a fair share.

I remember the days when I was on the school board. We had negotiations with teachers and settled for a 13-per-cent increase at a time when farm income had gone down by one third. It was a phenomenal gap.

Honourable senators, the picture that emerges through this three-year study is one of increasing market share concentration by a handful of distributors, higher farm input costs, and international pressure to take away from the farmer the marketing board supply management tools that can give him or her a measure of resistance against the squeeze from both directions. We are told that farm input costs in Canada range as much as 25 per cent higher than those in the U.S. A good part of the reason, according to others, is tougher anti-trust laws south of the border. We are told that Canada's food distribution network is more concentrated than in the U.S., due in no small part to Canada's weaker anti-trust legislation. Those observations should not be forgotten as we wrestle with changes to marketing boards and agencies that have traditionally served us, and served us well.

Finally, honourable senators, while the committee's report supports environmentally sustainable agriculture, its suggestion is a call for environmental impact studies of agri-food policy or program change. At best, that is a good start. We know that our European counterparts are more progressive in this area. We know that the task force appointed by the Finance Minister and by the Environment Minister to assess economic instruments and disincentives to sound environmental practices barely touched on the field of agriculture. There is work to be done here, and I hope the committees will not ignore it.

I do not believe that the task force report has been tabled yet in either house. It is to be hoped that we will receive it shortly. I have seen a copy of it. There is much work to be done.

As the Worldwatch Institute warns us, worldwide the trend in per capita food production is on the decline. In grains alone, per capita production has decreased steadily since 1984. Carryover stocks are far below the 100 days recorded mid to late last decade. In fact, carryover stocks are now approaching the record low levels of 1973 that led to a doubling of world grain prices.

As a resource-rich, food-producing nation, Canada has an opportunity and an obligation to hold to the principles of self-sufficiency — which is very important — and defence of the primary producer, the farmer, and to take part in a liberalized trade environment in a way that will allow us to feed ourselves and many others around the world.

Honourable senators, as Senator Hays has said, we cannot afford to merely tinker with the future of agriculture.

**The Hon. the Speaker:** Is it agreed, honourable senators, that this order will stand in the name of Senator Hays until the next sitting?

**Hon. Senators:** Agreed.

On motion of Senator Hays, debate adjourned.

## SCRUTINY OF REGULATIONS

### CONSIDERATION OF REPORT OF STANDING JOINT COMMITTEE— DEBATE CONCLUDED

The Senate proceeded to consideration of the second report of the Standing Joint Committee on the Scrutiny of Regulations (Illegal dispensations), tabled in the Senate on Thursday, December 1, 1994. — (*Honourable Senator Lewis*).

**Hon. P. Derek Lewis:** Honourable senators, I am pleased to finally have the opportunity to say a few words respecting the second report of the Standing Joint Committee for the Scrutiny of Regulations which I tabled on December 1.

As you will see from the report, honourable senators, the joint committee has adopted this report in an effort to obtain from government a comprehensive response to an earlier report of the committee. As mentioned in the second report on June 3, 1993, the ninth report of our committee was tabled in both Houses. In accordance with the Standing Orders of the House of Commons, the committee requested that a comprehensive government response to that report be tabled in the House of Commons. That request was not complied with prior to the dissolution of the last Parliament. As a result of that dissolution, the request lapsed.

In order to obtain the response to its ninth report, the committee has readopted that report and appended it to the second report with a request that the government provide a response to that appendix.

The ninth report of the standing joint committee dealt with an issue of principle that has important constitutional ramifications and which should be of great concern to all legislators. In a nutshell, the issue is whether or not the executive has the constitutional authority to exempt individuals from the regular application of the law without express authority having been granted by Parliament. The practice of granting exemptions from the application of subordinate laws was denounced by the joint committee in 1977, when it was co-chaired by the late Senator Eugene Forsey, as being "both illegal and subversive of constitutional government."

Honourable senators, the adoption of the ninth report was prompted by the apparent resurgence of the claim that the executive has the power to dispense with the law in favour of individuals, even when that power has not been granted by Parliament.

In its ninth report, the joint committee firmly condemns the practice that is a denial of the rule of law, and that challenges the legislative supremacy of Parliament. It is profoundly disturbing that a claim that was expressly declared to be unlawful by the 1689 Bill of Rights, an enactment that forms part of the Constitution of Canada, would be revived some 300 years later.

The ninth report gives two examples of the practice objected to by the joint committee. The second of these is known as the "Kemano Completion Project Guidelines Order," which purported to exempt one particular project from the application of the regulations that would otherwise have applied to that project.

• (1550)

According to the joint committee, the adoption of this order, and that of a now revoked amendment to the income tax regulations giving a minister the authority to exempt individual taxpayers from predescribed reporting requirements, reflects the same unfounded assumption that a regulation-making authority empowered to establish binding rules of conduct may, without further authorization from Parliament, declare those rules to be inapplicable to named individuals or in one particular set of circumstances.

In its ninth report, the joint committee stressed the dangerous consequences for our system of government of accepting the theory that has been put forward by government to justify the enactment of the regulations reported upon, and points out that a society in which those who govern have an unfettered discretion to decide when and to whom a law applies, or the discretionary power to enact a law for one citizen and a different one for his neighbour, is one in which arbitrary government soon replaces government according to law.

Members of the committee do not believe that Canadians wish to be governed on the basis of administrative discretion. On the contrary, Canadians expect, and have a right, to be governed by laws that apply equally to all, the administration of which is subject to the supervision of the courts.

Honourable senators, it would be difficult to overstate the importance of the issue dealt with in this report of the joint committee. The executive's claim, if allowed to stand unchallenged, would seriously undermine constitutional rules which have been in place for centuries, and which have served to protect the rights and liberties of Canadians.

If honourable senators have not already done so, I would urge them to read the ninth report of this committee. I think you will find it very interesting.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Senator Lewis, I wish to ask you a question which applies to all other joint committees. It arises from Senator MacEachen's point of order made the other day, which obviously is not debatable since it is under advisement. However, it has made me more attentive to reports of joint committees.

Your request is that the government reply, which is made on behalf of both houses, be tabled in the House of Commons but not in the Senate. You quote Standing Order No. 109 of the House of Commons, and there is also another reference to tabling in the House of Commons only. I am asking you the question, but perhaps it should be directed to the Committee on Privileges, Standing Rules and Orders.

A briefing note prepared by the Table Research Branch of the House of Commons says that joint committees follow the rules of procedure of the House of Commons, although this is nowhere specified in a rule or standing order. Item 7 in this report says that it is critical to stress that joint committees rely on practice, and that there are no written rules or standing orders that provide guidance in instances such as these, but that by convention the rules and practice of the House of Commons normally apply.

I do not believe that has caused any problem, but Senator MacEachen did raise a point with regard to the physical presentation of a particular report of a joint committee. We know what the ruling was of the Speaker in the other place, and we are concerned as to whether we are bound by that.

Perhaps the time has now come to look into what rules should apply to joint committees, in order that both Houses be treated more fairly than we were in this particular instance.

**Senator Lewis:** Senator Lynch-Staunton, that was an interesting point raised by Senator MacEachen. There seems to be a lack of any rules dealing with reports of joint committees. I am not familiar with the rules of the House of Commons, but the report is being tabled in this way because they do have rules there, and I think the rule specifies that the government should table a reply.

We do not have that type of rule here. However, it seems, as Senator MacEachen said, that it is time we did have something to deal specifically with how we report joint committee recommendations, and how we proceed from there. That is something for the Committee on Privileges, Standing Rules and Orders to consider.

**Senator Lynch-Staunton:** We would need an order of reference to instruct the Committee on Privileges, Standing Rules and Orders to look into the matter, in order to avoid problems such as that which Senator MacEachen raised.

**The Hon. the Acting Speaker:** If no other senator wishes to speak, this matter is considered debated.

Debate concluded.

## BUSINESS OF THE SENATE

**Hon. Dan Hays:** Honourable senators, with leave, I ask that a correction be made which arises out of my speaking to the wrong order. Yesterday, I tabled two reports, the fourth and fifth reports of the Standing Senate Committee on Agriculture and Forestry. The speech which I gave should have been given under Order No. 3 on Orders of the Day, Order No. 3 being the fourth report. I mixed them up and gave the speech under Order No. 4, which is actually the committee's fifth report.

In that I have an outstanding question on the fifth report from Senator Lynch-Staunton, I shall ask for leave that that remain on the Order Paper so that I can give him the appropriate response tomorrow. I was given permission to do that, but under the wrong order.

It may be appropriate to leave the other matter open as well, under my name, in the event that there are other senators wishing to speak. At one time Senator Gustafson expressed an interest in speaking.

With leave, I make that correction.

**The Hon. the Acting Speaker:** Is that agreed, honourable senators?

**Hon. Senators:** Agreed.

## UNITED NATIONS

### INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Haidasz, P.C., calling the attention of the Senate to the officially adopted text of the International Conference on Population and Development (ICPD), held in Cairo, Egypt, from September 5 to 14, 1994.—(*Senator Haidasz, P.C.*)

**Hon. Stanley Haidasz:** Honourable senators, with thanks to our colleagues who were present here yesterday, I rise again today, for the third successive time, to deliver the third and final part of my speech on my inquiry on the official report of the United Nations third International Conference on Population and Development.

To a great extent, the stillbirth of some of the good intentions brought by nations to Cairo resulted from a process which was too closed and even stultified in preparation. Where that process may have lacked openness was counterproductive. Canada went forth to build bridges without reservation, but unfortunately the briefings of our own delegates were pitifully late, and we did not know Canada's detailed position until a day or two before our departure for Cairo. Canada's position turned out to be last year's policy proposed by CIDA, with no opportunity for debate in Parliament or discussion in any committee, as there was in other countries.

I therefore recommend that, in preparation for the March 1995 World Summit on Social Development in Copenhagen, and in preparation for the 1995 Beijing women's conference, a greater degree of openness be fostered. Certainly, women's and other human rights only stand to gain from openness. Furthermore, rather than denying women the very fairness they rightly seek in public debate, both participatory democracy and parliamentary democracy would be served by more openness.

Notwithstanding the out-of-character suggestion of withholding debt reduction that remains in the program of action, and the abhorrent financial aid inducements blatantly suggested by some United States of America spokespersons in Cairo, the inalienable right of a couple to adjust their fecundity without coercion was finally endorsed in the Cairo document. The central place of the family, predicated on the word "couple" because of the necessary union of two opposite sexes for procreation and the

survival of the human race, also requires sexual responsibility on an equitable basis. This barely gains mention in the text of the conference report, and much less ink than is deserved is given to modern proven methods centering on fertility awareness which enjoined the interest and responsible involvement of the male partner in particular.

• (1600)

It is worthy of note that in Montreal, shortly after we returned from Egypt, UNI-PATH, an inexpensive hormone indicator developed in Britain for easy detection of ovulation onset and cessation, was heralded at the International Convention of Obstetricians and Gynecologists. At that convention, several obstetricians declared this hormone to be the most significant outcome of their international conventions in many a year.

Education promoting abstinence and fidelity for the combat both of promiscuity and sexually transmitted diseases also received endorsement in the Cairo conference report. For the stated aims of access, healthiness and religious freedom, this endorsement deserves the strongest possible emphasis, as it is overlooked in our own country's health promotion policy.

Honourable senators, in this inquiry, I would encourage a search for programs in Canada, such as SERENA and Teen Aid education projects, which meet these objectives. This conference roundly called for fertility information and education to be imparted to women as well as to men. A fine example of a setting in which fertility awareness methods are readily imparted is that of the new Care Centre for Women recently founded in St. John's, Newfoundland. I recommend to our government the mission statement of this establishment in St. John's, which serves as a model for all women's health services.

The failure to inform women with respect to fertility stands to frustrate the hopes of even those who would increase development aid to advance the practice of birth spacing, the best hope for stabilizing growth rates with regeneration of resources. The high financial and personal costs of documented ill-health, undesired infertility, or the unreliability of such methods to adjust to one's fecundity, with a tantamount escalation in abortion worldwide, is very high. Some delegates in Cairo were shocked to hear from the World Bank's 1993 World Development Report that abortion alone exerts two-thirds of the total drag on national economic productivity.

Honourable senators, one of the most pervasive myths, that to control or prevent teenage pregnancy one must throw ever-increasing amounts of contraception at individuals, was actively promoted in Cairo by one of the oversized world NGOs. A touted 10-year-old Ontario study of teenage pregnancies, debunked several times over, was cherished by this non-governmental organization in that it makes the claim that teenage pregnancies decreased with increasing prevalence of contraceptive acceptance. Just the reverse happened, masked by two facts: This study counted births without adding an increasing rate of clinic abortions, or a correction for the ill-kept statistics of so-called therapeutic abortions in our hospitals.

Second, in recent years, the percentage of young Canadian women of childbearing years has been decreasing in our country, with a current tally of 1 million fewer women than males under the age of 25. This may have resulted from extensive use of low-dosage abortifacient contraception by a whole generation of women. At any rate, during the time period studied, and increasingly since, teenage pregnancy rates have increased with the usage of contraception. It was recently observed in England that of teenage pregnancies — which are increasing in that country as well — fully one half of young mothers are known to be using contraception. Yet the clearly erroneous Orton-Rosenblatt report by McMaster University extension students done in 1984 is still cited to this very day by its sponsors, Planned Parenthood.

Like all delegates prevailing at Cairo, including the Holy See, I have always endorsed the true empowerment of women. I have not only a wife but three daughters and five granddaughters, and I am pretty well aware of their situation. Natural fertility awareness attains that goal, but its wisdom flies in the face of those who have influenced non-governmental organizations and even federal government departments, whose tenet is that empowerment of women is an empowerment to be infertile. In my medical experience, honourable senators, most women do not agree that that is a position either of equity or respect for womanhood. It certainly offers them no defence against exploitation, and it is not borne out by apocalyptic rates of abortion, breast cancer, sexually transmitted diseases and other diseases, as I mentioned in my address to the World Day Parliamentarians in the Assembly of Egypt.

Honourable senators, if feminism means the empowerment of women to be infertile, then the author of feminism is no friend of woman.

At least it can be said that in Cairo the enhanced fertility awareness intrinsic to natural birth spacing was recognized for its efficiency in propagating peer-to-peer and down generational lines. Besides these benefits, it involves very little cost. It is an easy method, an effective educational strategy, and virtually no follow-up is necessary.

Honourable senators, the draft text of the conference report in Cairo unfortunately lacked mention of UNI-PATH, the hormone I mentioned a few moments ago, or any of the other proven and readily-learned fertility indicators, including the method developed by the Australian couple, Dr. and Mrs. Billings, which is being increasingly well-received in China. However, the Chinese delegation did wish to discontinue Draconian and violent methods to curb urbanization, strenuously proposing terms against any hint of coercion to stabilize population growth. This fact was a big surprise to many delegations.

In Cairo, honourable senators, promotion was urged for on-demand breast feeding culturally on a wider scale, since this commonly acts hormonally to prolong natural infertility. One can little gainsay the benefits of breast feeding. The World Health Organization endorses it for the attainment of good infant health and increased mindfulness of good maternity dietary habits.

Maternal health and sexual health certainly became a major focus for Cairo. The World Bank's 1993 World Development Report registered that in 1990, of a total of 431,000 maternal deaths in the world, some 61,000 were attributed to abortion. Of the largest group of 130,000 fatal hemorrhages, a number may also have arisen in connection with abortion. Hence, we learnt that there was a very large risk attending the practice of pre-abortion.

But aside from the turnabout on the subject, which rightfully obtained for this ICPD the nickname of "the abortion conference," there were several other challenges which the final program of action sets before all its signatories. The view of women's fertility and pregnancy as disorders was not to be countenanced by anybody. For the first time in a United Nations conference since the Geneva Convention, women were openly spoken of as the victims of exploitation that they are. Indeed, Chapter V of this report went beyond early plans for the agenda being set for the Beijing conference on women next year.

• (1610)

Unfortunately, Canada has exported, at taxpayer's expense, technical skill and even untested technology, for instance, to develop a so-called "vaccine against pregnancy" which IDRC claims to be funding. This was apparently started by way of a CIDA grant at the inception of a project in India several years ago. This view of pregnancy as disease does not lie well with fundamental human rights such as the universal declaration in Geneva that everyone is to be born free and equal in dignity.

It is also coming to light that hundreds of thousands of women who have been implanted with Norplants will soon suffer increased rates of life-threatening ectopic pregnancy. Furthermore, the World Health Organization does not know how to go about checking up on the health of these women who have been implanted. It cannot afford to, nor can it afford not to, locate and remove aging Norplant inserts. Such is the fruit of regarding fertility as a disease; another is the correlation of artificial steroid estrogens in the birth control pill with eventual breast cancer, which I also described in my speech in Cairo.

In 1993, the World Bank published a unique indicator of needed development. It is the so-called "DALY Index," "DALY" meaning Disability Adjusted Lost Years of Life. This carefully constructed measure provides a macro-economic indication of long-term illness and lost productive years due to premature death. It is a measure of the economic burden of disease. Applied to every geographic region in the world, the loss of productive years was especially profound where fecundity itself was in decline, or if momentarily increasing, doing so in a struggle to offset mortality and downturned productivity. As the renowned French demographer Mr. Hervé le Bras notes in his recent book *Les limites de la planète*, it is curious that commentators should view as negative these precursors to rebounding well-being: fecundity and longevity.

**The Hon. the Speaker:** I regret having to stop the honourable senator at this time, but his time has expired.

**Senator Haidasz:** With your permission, if I could have another five minutes, I could conclude my inquiry.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Haidasz:** Perhaps this is the final contradiction which the draft text of the conference, inherited by delegations in their congress at Cairo, went little distance to dispel. What economists know everywhere, if not stated by those who, as Hervé le Bras suggests, want to control other's fertility, is that natural growth is the engine of development. Without it, Mexico would not have had bargaining chips at the NAFTA table, any more than did Japan or Hong Kong after the declining hegemony of Britain yesterday, nor does Singapore and Guangdong today in the wake of communism in decline in China.

What so many eloquent delegates to Cairo agreed is needed is a promise of rationalizing growth, productivity and consumption patterns by wise infrastructure development throughout the world. As to dilatating policies or, what adds insult to injury, fertility regulation, there is abundant evidence that these have been the cause of economic anaemia, of even the pernicious type, in the former communist countries of Eurasia and arguably, even in Canada and Britain.

In its deference to national sovereignties, the Cairo Programme of Action could not require immediate rescission of legislation which has legalized abortion in some countries, but it strongly adverted to requirements of safety, as well as to full information as to consequences and alternatives which all agreed should militate against this practice. The Cairo conference impressed on all the necessity of upholding the dignity and well-being of women, something exploitation of abortion cannot do.

Honourable senators, I hasten to add that the World Bank 1993 World Development Report summed up all of the worldwide losses to productive life for 1990 as equivalent to the death of 42 million infants, or fewer if a newborn is attributed some value. There are estimated to be over 55 million abortions in the world annually.

In conclusion, to those of us who went to Cairo in 1994, those who wanted to shun openness sought to cover their crimes against humanity by making abortion a right. Therefore, it is scarcely possible for me to express adequately my relief that, at this conference in Cairo, the agenda of abortionism really was shamed.

As I mentioned in my speech earlier, we are facing three world conferences on these issues next year. I hope that interested honourable senators will pay attention to the times that they will be held, and will seek to determine what will be on the agenda of these conferences, and be prepared so that we can openly discuss the agenda of those conferences in Parliament, as is done in many other countries of the world.

On motion of Senator Cools, debate adjourned.

## POWERS OF PARLIAMENTARY COMMITTEES

PAPER REFERRED TO STANDING SENATE COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS

On the Order:

Resuming the debate on the motion that a paper dealing with the powers of parliamentary committees, prepared by Diane Davidson, General Legal Counsel to the House of Commons, dated November 16, 1994 and tabled with the Standing Joint Committee for the Scrutiny of Regulations on November 17, 1994, be referred to the Standing Senate Committee on Legal and Constitutional Affairs for consideration and report.

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, on behalf of Senator Neiman, I move that this paper be referred to the Standing Senate Committee on Legal and Constitutional Affairs for study.

Motion agreed to.

## TRANSPORT

AD HOC PARLIAMENTARY COMMITTEE ON LIGHTSTATIONS— CONSULTATIONS IN BRITISH COLUMBIA

**Hon. Pat Carney** rose, pursuant to notice of December 1, 1994:

That she would call the attention of the Senate to the findings of the Ad Hoc Parliamentary Committee on Lightstations, which travelled to British Columbia from November 21 to November 25, 1994, to hear the testimony of witnesses in four centres of British Columbia.

She said: I should like to speak to my inquiry this afternoon and table the interim report of the Ad Hoc Parliamentary Committee on Lightstations which travelled to four centres of British Columbia from November 21 to 25, 1994.

The report is in the form of a letter to the Minister of Transport, Doug Young, and colleagues might like to know we already have a preliminary answer to the report.

Dear Minister:

Re: Destaffing B.C. Lightstations: Interim Report.

We are writing to advise you of the work of the Ad Hoc Parliamentary Committee on Lightstations which met with coastal British Columbians during the week of November 21 to 25, 1994 to discuss your department's plans to destaff the B.C. lightstations under the Lightstations Services Project.

Our committee is comprised of two Conservative senators and three B.C. Reform MPs. We heard from 67 presenters, representing hundreds of thousands of British Columbians, during afternoon and evening hearings in Richmond, Sidney, Campbell River and Nanaimo. In addition, petitions signed by more than 15,000 concerned British Columbians expressing opposition to destaffing were tabled during our hearings.

These 67 presenters are in addition to many other opponents of destaffing who have written to us, including both the provincial government NDP caucus and the Liberal opposition caucus, six provincial cabinet ministers...

Who have coastal ridings.

...the union of B.C. municipalities, villages, towns, districts and band councils along the coast.

Angry aviators, fishers, marine pilots, boaters, kayakers, union officials and residents of coastal communities appeared before the committee to express their hostility to destaffing in the interests of maritime and aviation safety. They came off their fishing boats, their tugs and their floatplanes "looking for blood," in the words of one aviator. One young man sang his brief in the beautiful museum at Campbell River. The mayor and a community nurse drove over from the west coast community of Gold River.

In contrast to your statement to the Standing Senate Committee on Transport and Communications on June 22, 1994 that 'there is nothing particularly unusual about the marine realities of that coast', all presenters spoke of the uniqueness of the area; its isolated, scattered settlements; the lack of road access to 27,000 kilometres of coast line (unlike the U.S. coast line); the sudden climatic changes and fog pockets in the coastal fiords; the savage storms and seas; and the heavy and expanding volume of marine and aviation traffic along the working coast.

All echoed the same concern: In the interest of marine and aviation safety, people want people on the lights. The automatic equipment proposed to replace them is reported by users to be unsafe, unreliable or non-existent.

Here is our interim report.

There is no support for destaffing among any user group. When a representative for the tug and barge operators supported automation, a union official representing the tow boat employees countered: 'The people in the offices don't need the lights. The people on the tugs do.'

There is solid support for services supplied to mariners and aviators by lightkeepers, particularly in regard to local weather conditions. Users want more local weather reports, not fewer reports. All lightkeepers are trained in aviation weather, although it is not in their job description.

Many people echoed the concern of Stan Kaardall of the Campbell River Aircraft Operator's Association, who has flown the coast for 44 years: 'I use lighthouse weathers every day and I have to have them to do my work safely. We do not use automatic weather reports for flight planning because they are of no use to us.'

The Committee also heard ample evidence that a dedicated communication system should be implemented through the use of VHF and single side band radio equipment. This was a major concern to both fishermen and aviators alike...

There is deeply entrenched concern over the reliability of the automatic weather stations and aids which have been deployed along the coast and which are repeatedly reported by the users to have a high failure rate, particularly in the winter months. Said a Pacific Trollers Association official: 'We need 100 per cent reliability of any system to assist us. An 80 per cent rate may be good enough for technicians, but not for mariners.'

One Port Alberni aviator reported being given "incredibly bad" information (the automatic system reported clear to 10,000 feet when in fact he found fog), adding: 'No information is better than wrong information' provided by an automatic site. This can be a serious safety risk.

There is equal concern about the limited information that the automated systems emit compared to the information available from lighthouse keepers. Said one aviator: 'The very little that automation gives us is of little use. You can get the temperature and the wind direction, but you can't get the ceiling and the swell heights needed for float plane operations.'

Said a fisher. 'About 20 to 50 per cent of the time, the automatic system (in his area) is not available. There are more breakdowns in winter. And it can't tell you what the chop looks like in the channel.'

There is a profound sense of the safety net provided by the "system" of staffed lightstations, in addition to the services provided by individual lightkeepers. The B.C. Aviation Council, noting that British Columbians have the highest propensity to fly in Canada, reflecting the movement of goods and services to remote areas, stated: 'Pilots need to know what conditions are like 50 to 100 miles ahead. On the north coast, for visual flying, the only weather and services available are provided by staffed lightstations.'

In contrast, fishers said that in American waters, where U.S. lightstations are unmanned, local weather reports are obtainable from military-funded and available Coast Guard personnel positioned along the coast.

There were many emotional reports of search and rescue operations performed by lightkeepers, of deaths of friends and family members at sea...

About 50 died on the coast last year.

...of all-night vigils kept by lightkeepers and their wives, of storm warnings and friendly advice. One island resident said —

And this person is known to Senator Hays.

'Lightkeepers really know their local areas. I think we need the lightkeepers more than we need the lights.'

Deep-seated anxieties were expressed over the Coast Guard's belligerent push to destaff. Homer Stevens, a fisher of 58 years' experience and former head of the United Fishermen and Allied Worker's Union said. 'I have fished from the Fraser to the Nass River and Queen Charlotte Sound and Dixon Entrance, and I find it hard to believe that people would seriously consider destaffing, making it impossible for a boat to get up-to-date knowledge of what is happening locally. What value is there placed on life?'

Scientists at the Federal Institute of Ocean Sciences outlined the useful scientific work lightkeepers and their families perform, at modest cost, which in crucial cases cannot be performed by any known technology at any cost. Saline samples and water temperatures, collected on specific tidal conditions, are used to predict Salmon migration patterns, the El Nino presence, and appropriate fisheries management techniques.

• (1630)

Lightkeepers also assist in monitoring tsunami warning systems at locations where there is no other human presence to perform the work at any price.

There was a prevailing view that the loss of low cost lightstation and lightkeeper services and their replacement with high cost, unreliable automatic equipment will cost more money than the present system and be less cost-effective. Noting that a Transport Canada internal audit found the Marine Navigation Services division notorious for its overtime, one lightkeeper said, "How can the Coast Guard claim cost savings when it doesn't know what its costs are?"

There was widespread support for the view that lightkeepers' mandates should be expanded beyond the "change the lightbulb and mow the lawn" dictates of their job descriptions to include search and rescue, fisheries inspection, drug trade monitoring, assistance to tourists, boater safety education, and other marine and aviation services.

There was also a willingness among most user groups to consider some form of "user pay" for services, including possible boat licences for the vastly increasing numbers of recreational boaters, who are viewed as not paying their share of services consumed. Others felt that implementing a service fee would be costly to administer, and uneconomic. Any moves in this direction, however, should be carried out in consultation with the stakeholder groups to decide what services are required and who should pay for them.

There was prevailing suspicion of Coast Guard motivations, claims of "cover-ups," speculation about automatic equipment contracts, charges of "a personal vendetta" shown against the lightkeepers by departmental officials, expressions of "betrayal and anger" which must be addressed by you, Minister, through an investigation by an independent third party if confidence in the Coast Guard is to be re-established with the maritime and aviation community.

I hope that this next portion will be of some interest to senators, including the Liberal senators who voted against this study at the hearings in the Transport Committee.

In his testimony before the Standing Senate Committee on Transport and Communications on June 1, 1994, Rick Bryant, Regional Manager, Marine Navigation Systems, Western Region and the bureaucrat primarily responsible for the destaffing initiatives said:

> Certainly, when we were looking at the question of lightstation destaffing in the past, the weather reports from the lightkeeper represented the major contribution. What we see now is a large number of these automated sites. Our point of view in that regard is that these automated systems can do the job that was done in the past by the lightkeeper.

Minister, the evidence presented to us by the people who use the system, often at risk to their lives, indicates Mr. Bryant is wrong.

In conclusion, Committee members were moved by the devotion shown by the coastal community towards the lightkeepers and their families, the dignity with which they have borne the indignities of being told by their bosses that their work has no value, and the dedication they have shown in giving life to the Coast Guard motto, "Safety First, Service Always."

We hope our interim report, and the final one which we will file in Parliament, will assist you in making the decision to scuttle the Lightstation Services Project before it shreds the staffed lightstations' safety net which serves the coast so well and is so valued by British Columbians.

This report is signed by myself and John Duncan, MP for North Island—Powell River, as co-chairs.

Colleagues might wish to know that today *The* Vancouver *Sun* asked Minister Young for his comments on this report. Even though it represents the views of so many hundreds of thousands of British Columbians, Minister Young said that our report would have no impact at all, and would not make any difference regarding destaffing. His reply shows that his own Coast Guard consultations, which are at mid-point among 60 public sessions on the Newfoundland, New Brunswick and British Columbia coasts, are a sham and a fraud. His willingness to endanger the lives of British Columbians show a breathtaking degree of arrogance which will never be forgotten in my province.

**Hon. J. Michael Forrestall:** Honourable senators, I want to add my attestation to the comments of Senator Carney. I went as a Nova Scotian to Vancouver Island. We went up to Campbell River. We went to the lighthouses. We met these people. We talked to them and heard their stories. We were convinced — at least I was — of the danger of putting automated weather systems into position before they are ready, before they have an efficacy that is acceptable.

We are not talking about items like streetlights, where you can look to the right and to the left. We are talking about descending from sunshine at 5,000 feet, through clouds, to land on water, sometimes rough, always dangerous, but always safer and more manageable when you have accurate information as to what lies below the cloud cover.

In every instance, pilots cautioned us against acceptance of these new systems, which have not yet been proven in use. To measure that, of course, we need look no further than the difficulties of Canadian Airline International in their report of a few short months ago. They refuse to use information derived from the automated systems in any sense of relying upon them for safety.

It may be that, somewhere in the future, some years ahead yet, there will be an automated system that can look other than straight up; one that can look out to the side in any direction. We do not have that technology yet. Until we do have it, the only safe way that private commercial operators can fly up and down that coast is with reliable, on-the-ground, visual reports. These can only come from the people who are put in place to do that, who are trained as weather observers, and who have earned the trust of pilots.

We are speaking not only of pilots, although a pilot in an aircraft in landing mode is in a critical situation. This change affects as well the transit of ships. It affects not only fishermen but anybody plying that coast. These people want to know more than what an automated station can tell them about fog and wave heights, about current, about how the wind is affecting the tides. That does not happen with automated systems. Such systems are not that sophisticated nor will they be, given the technology available to us, until well into the next century. That day is coming, but it is not yet here.

Let me say to those who might wonder about it, in Nova Scotia our manned lightstations are all gone, and we are having problems. In Newfoundland they are half gone, and the rest will go over the next few months if the ministry has its way. That will be a mistake, because we are doing two things: We are endangering lives, and we are not achieving the purpose, which is to save money.

We are not saving money. These automated systems are enormously expensive. They put four or five in place in case one breaks down. There is a redundancy of not two or three, but sometimes five. They cost anywhere from a quarter to half a million dollars just to buy them still in the box. Then you have to put them in place. You are looking at hundreds of thousands of dollars per unit.

Do you know what it costs to keep a lighthouse family at Langara? About $30,000 per year; at most $35,000. Speaking of that family, we were privileged to meet them, a husband, a wife and a ten-year-old son. I saw in that family an absolute dedication to service, an absolute care and concern for lives that transcended anything I have ever seen in my life. That was their duty. They were proud to be part of that work and of the great tradition of lightkeepers in this country.

Their work has changed. It is not the same as it was 20, 30 years ago, or 100 years ago. However, it is still vital. How important is safety? What if we were talking about saving $40 million or $50 million or $100 million or $1 billion? We are talking about saving a couple of million dollars, if that, because — and isn't this interesting — when the lighthouses are destaffed, these men and women will be kept on the payroll, presumably until normal retirement time has arrived. We are not even saving salaries, but we are jeopardizing lives. We are placing lives in danger unnecessarily. We do not have that right, in my opinion.

We have the chance now to refer this subject-matter. I was somewhat shocked and very disappointed to hear of the minister's response in the other place today, that our work is not important and does not mean anything. He was saying to the hundreds of people who appeared before us, "Why did you waste your time? I do not care what you say or what you think. I do care about the people who fly up and down your coast."

Now I understand Elsie Wade's fury and rage for this cold, insensitive man. I wish he came from a part of Canada other than the Maritimes.

You cannot treat so casually the hundreds of people who, every day, must get into an airplane, and who need to know whether the land is visible. They need to know how high the chop is. Is it a foot and a half or is it a metre? You have one way in one-metre swells and another way in two-foot swells.

• (1640)

I commend and urge upon you the responsibility to communicate with the ministry, because it is a unanimous opposition. It is not a vested interest. It is a unanimous position that he at least take a look at appointing somebody at arm's length to give them a free and independent voice or opinion as to the impact of carrying on with this change.

The work that Senator Carney has done, together with members of the Reform Party in that part of the country, commends itself to all of us. It is a pleasure and a privilege for me to go out and meet the people, particularly the individual families who see in the work they do a way of life and a dedication to safety and service.

**Hon. Brenda M. Robertson:** May I ask a question of either Senator Carney or Senator Forrestall? Coming from the Atlantic coast, one has heard over the years certain comments about what happens when our lightkeepers are replaced with the so-called sophisticated new equipment. I have found these complaints most interesting.

If someone is in the air and they are coming down, will the system be able to tell that pilot if it is raining, snowing, sleeting, hailing? Can it tell those differences, as the keepers now can?

**Senator Carney:** Honourable senators, the simple answer is that the automatic equipment cannot tell the difference between rain and snow. Often, the system does not work at all. Sometimes these systems are out for months. It can tell you what is happening directly overhead and on one horizontal side when it works. It cannot tell you what is happening in the area. It cannot tell you if a front is moving in or if a fog has drifted over. It cannot tell you the height of an ocean swell.

My son is a Twin Otter pilot, and he flies that coast. He is at risk every day when he has to fly with automatic weather systems. My daughter and her husband have been fishers for 20 years, and their lives are at risk every time they go out because of these systems. My tenant died. He disappeared with his son. They never found his body. They just found the 11-year-old's body in the fish boat that left Campbell River and never made Bellingham. Uncle Eddy died when he ran his fish boat up against a rock.

I am one of the families who live on the sea, and by the sea, in a coastal marine environment. I echo the concerns of the people who appeared before us.

On motion of Senator Berntson, debate adjourned.

The Senate adjourned until tomorrow at 2:00 p.m.

# THE SENATE

**Thursday, December 15, 1994**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### TRUDEAU AND OUR TIMES

MISLEADING INFORMATION IN GLOBE AND MAIL BOOK REVIEW

**Hon. Allan J. MacEachen:** Honourable senators, I would refer to a review, which appeared in *The Globe and Mail* of November 5, of the Clarkson, McCall book entitled, *Trudeau and Our Times*, specifically, Volume 2, *The Heroic Delusion.*

The review was written by Mr. Robert Sheppard. After having made a declaration as to how rich this book was in lore, he referred to Mr. Trudeau as an idiosyncratic event. He then turned his attention to me, as follows:

> Close runners-up include: The take on Allan MacEachen, the moody high priest of the welfare state, going AWOL for six weeks (he even skipped the meetings of the inner cabinet) because he couldn't face his colleagues after the fiasco of his 1981 budget...

Honourable senators, the references to moods and priesthood are beside the point, but the facts about attendance are quite another matter. All I have to say is that Mr. Sheppard's comments are totally false, and the sources relied on in the volume are also totally false.

The records of the House of Commons, confirmed by a check with the data systems of the Library of Parliament, reveal that, in each of the six weeks from the date of the budget until the House of Commons rose for the Christmas break, I was in the House of Commons, surrounded by colleagues, explaining and defending the budget. During those weeks I was in the House of Commons, and on 17 days I answered a total of 156 questions put to me by the members of the House of Commons. I would say that is something of a record.

**Senator Lynch-Staunton:** The budget was something of a record as well.

**Senator MacEachen:** I wish the Honourable Leader of the Opposition would take this item with the seriousness that I do, because I find this reference to be totally false as well as damaging, and it ought to be corrected.

**Some Hon. Senators:** Hear, hear!

**Senator MacEachen:** It may be that at some time, if his activities are misrepresented in the future in such a gross way as mine have been, the Leader of the Opposition will not appreciate humour from his colleagues in the Senate as he attempts to correct the record.

With respect to the suggestion that during this period I skipped meetings of the Committee on Priorities and Planning, the inner cabinet, that is totally false. In the period from the budget of November 12, 1981, to the end of February, 1982, the Committee on Priorities and Planning met on 12 separate occasions: November 27; December 8, December 16, December 22, 1981; January 12, January 20 — the committee met twice on that day — January 26, January 28; February 9, 18 and 22, 1982.

**The Hon. the Speaker:** I am sorry to interrupt the honourable senator, but his time has elapsed. Is leave given to allow him to continue?

**Hon. Senators:** Agreed.

**Senator MacEachen:** My review of the record, honourable senators, shows that I attended each meeting. In fact, in the absence of the Prime Minister, I chaired the meeting of November 27, 1981 and the meeting of January 12, 1982. So much for the allegation that I could not face my colleagues.

Honourable senators, any reader of political biography in these days must be on the alert to determine what is the historical record, what is fiction, and what is defamation.

**Some Hon. Senators:** Hear, hear!

### CHRISTMAS GREETINGS

**Hon. Mabel M. DeWare:** Honourable senators, on a Christmas note, because this is expected to be the last sitting before the Christmas recess, I wish to express a few sentiments worthy of this important season.

Honourable senators will know that Christmas takes place in the depths of our northern winter. It is a time of celebration and goodwill. Some grinches would say, however, why celebrate in the Senate and why celebrate the Senate at all? We, too, often come up against the slings and arrows of dispirited comments about our national institutions, but what is this institution if not the manifestation of the Canadian people? The spirit of the regions is alive and well in the Senate of Canada. It is appropriate then, indeed warranted, that we commend the people who are in fact the spirit and heart of this Senate — the devoted Senate workers who make possible this forum for sober second thought, even amidst our Christmas party season. No small feat, as you will all attest.

Despite the difficult financial climate with which we are presented, the level of service in the Senate is excellent, as always. Perhaps too often we senators appear not to notice or appreciate the high quality of service and the sacrifices of which we are the recipients. I am reminded of the words of Dolly Parton:

> Sure we had runnin' water — when we'd run and get it.

I hope senators ensure that their New Year's resolutions include the occasional recognition of all Senate personnel.

Honourable senators, I offer my sincere holiday wishes to all of those who make the Senate the place that it is, and ensure that it operates in the professional manner that it does. To all those involved in administration, maintenance and security, I extend to them and their families an earned Merry Christmas and a Happy New Year.

To the individuals in the chamber who assist us when we are sitting, the Table Officers with their first-year "rookie" Clerk, the Journals and Debates people, and of course the young men and women who serve as pages, I say on behalf of this side, thank you very much, and all the best during the holiday season.

Honourable senators, almost a year has passed since we exchanged sides in this place. I am pleased to say that the level of cooperation and goodwill to which we had become accustomed in the past few years has not diminished. Certainly, we have our differences, but these have been displayed in the spirit one would expect of this institution. This situation could not have come about if it were not for the cooperation that exists amongst the respective leaders, the deputies and their offices, and all honourable senators, for that matter. I wish to personally thank Senator Hébert and his staff for helping a young "whippy" with her interim job.

Honourable senators, I wish all colleagues on both sides of this chamber a safe and happy holiday season, and I look forward to a productive and stimulating year ahead. I might add as well that, once again this year, there were too many red lights on the Senate Christmas tree!

Merry Christmas.

**Hon. Senators:** Hear, hear!

[*Later*]

**Hon. Jack Austin:** Honourable senators, I should like to respond to the comments of the Honourable Senator DeWare. With the exception of her reference to red lights, so say we all.

[*Translation*]

## THE HONOURABLE PAUL DAVID

### TRIBUTES ON RETIREMENT FROM THE SENATE

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, when I entered this chamber for the first time, I had the honour to be escorted by Senator Paul David. Today I have the honour to pay him tribute as he is preparing to retire from the Senate, since he will turn 75 on Christmas Day.

[*English*]

I first met Senator David in the mid-1960s when I joined the Board of Directors of l'Institut de Cardiologie de Montréal, of which he was a founder in 1954. It did not take long to recognize his many skills: those of an administrator, of a medical practitioner, and of one actively involved in his community. No doubt many of these traits were inherited, as his family carries many of the most distinguished names in Quebec.

His grandfather, Laurent Olivier David, journalist and author, was appointed to the Senate by Sir Wilfrid Laurier in 1903 and served here for 10 years, while his father, Louis Athanase David, who was a Quebec cabinet minister, was appointed by Mackenzie King in 1940 and died in 1954.

Paul was appointed by Brian Mulroney in 1985, his first Senate appointment from Quebec, and one of many of a non-partisan nature made by Prime Minister Mulroney which allowed this place its unique mix of talent and experience.

Senator David had only been retired for a few months after 31 years with the heart institute when, as he put it, he received a "surprise" call from the Prime Minister. His professional career included active participation in numerous heart associations around the world. Recognition has come in the form of honorary degrees and many awards, including being named a Companion of the Order of Canada in 1981.

However, it is as a senator that most of us have come to know him, and we quickly learned to benefit from his wisdom. In his first speech here, he quoted from a passage of the book written by his father in 1934.

[*Translation*]

> Politicians should remember the role they have to play. It is their job to provide guidance and to tell the people the whole truth about the goal to be achieved. The only goal we can contemplate without betraying our traditions is to perpetuate in Canada the idea behind the founding of the country.

Those of us who had the opportunity to hear Senator David did so on a regular basis because his comments were always clear, full of insights and the product of a remarkable intellect.

I remember especially his speech during the abortion debate when he tried to reconcile the values of a Catholic, a physician and a strong believer in the family, values which he has always defended.

[*English*]

Whether in this chamber, in caucus or in private conversation, one was always struck by Senator David's refreshing frankness, his sense of humour, his modesty and his commitment to whatever cause in which he was involved. Certainly, his commitment to the Senate was complete. His absence has already shown us how much we miss him. Whenever assessments are made of contributions by its members, the Senate will always rank those of Paul David among the most prominent.

[*Translation*]

All the senators on this side join me in wishing him a retirement free of the handicaps which he is currently fighting with courage and determination. We also thank his family for allowing us the privilege of working with a great Canadian.

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I should like to join with the Leader of the Opposition in saying a few words in tribute to and in honour of Senator Paul David who, sadly, reaches the mandatory age of retirement at the end of this month. His presence in the Senate has been missed in recent months, not just in terms of participation but in terms of personal friendship.

Senator David came to the Senate in 1985, having achieved enormous accomplishments in the field of medicine, most specifically cardiology. Senator David founded the Montreal Heart Institute, where Canada's first heart transplant was performed. He served as its director for 30 years until 1984. Senator David was recognized and respected in the medical community. His appointment to the Senate was met with great acclamation.

In 1981, as my honourable friend has noted, he was recognized for his accomplishments both through an appointment as a Companion of the Order of Canada and, because of his intimate involvement in the life of the city he loves, he was named "Grand Montréalais" — great Montrealer.

His appointment to the Senate was definitely seen as a great asset in broadening the base of expertise and diversity in this chamber. He became Canada's first third-generation senator, which speaks volumes about his family and its dedication to community and country. I am, of course, referring to the historical tradition of the David family. His grandfather, Laurent Olivier David, was appointed to the Senate by Sir Wilfrid Laurier. His father, Louis Athanase David, was appointed by Prime Minister William Lyon Mackenzie King in 1940.

Senator David took full advantage of his appointment to this institution to continue working on the issues that were important to him, promoting medical research and awareness of difficulties faced in our health care system. We will miss his continuing involvement in that issue as it evolves in the months and years ahead.

Generally, he was here to serve the people of his community, the people of his province and the people of his country. We remember his work as Chairman of the Standing Senate Committee on Social Affairs, Science and Technology, and his participation in a number of other committees of this place, including Official Languages; Banking, Trade and Commerce and Veterans Affairs.

The one committee for which I remember him most particularly was the Special Senate Committee on Youth, which was his first assignment in this chamber, as it was mine. I got to know him as we travelled across the country, and as we struggled over every single word of that report. He had great humanity and sensitivity for that most important segment of our Canadian population.

In his address to the Senate during consideration of that report, Senator David stated:

> These young people are our future... They represent a major challenge to the conscience of the parliamentarians of Canada and of every province. Are we not the physicians of the nation? We must therefore, like physicians, try to find gradual or radical remedies to our present problems, prevent future ills and relieve, by technical and human means, the most vulnerable elements of our society.

Those words are equally as important today as we struggle still with trying to prepare a better future for the young people of this country.

As was noted in his first speech in the Senate, he quoted from his father. He also quoted from his grandfather. I should like to read that quote today, as it fills in a large part of the "canvas" of this man we have come to know as Senator Paul David. It is interesting that he spoke in a debate on a meeting of the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace, held in Nairobi, Kenya.

He opened his remarks by talking about his appointment to this place, how he had been called and what it meant to him. When he thought he was about to launch into retirement, here he was back in the fray. He said:

> When I accepted the responsibilities of a senator, it was because I was tempted to follow in the footsteps of my grandfather... and my father...
>
> I feel a little like Laurent Olivier David, who wrote in the preface to his last book, *Au soir de la vie* (1924):
>
> > I believe that when a man has been involved in all the things of this world for more than 50 years... he should say what he has seen and observed, pointing out what could be useful to his fellow citizens and guide them, helping them avoid the errors and mistakes he may have made himself. At a time in life when he is no longer driven by passion or self-interest, I think a man has a right to believe that his comments and advice are of some value.

Honourable senators, I can only say that Senator David's comments and advice have been of great value to this chamber and to the people whom he represented here. Colleagues on this side of the house would like to offer to him and to his family our thanks for their contribution, and for his contribution.

We extend our very warmest wishes to him, particularly for the birthday party which he will have — a most joyous occasion — on December 25, Christmas Day.

[*Translation*]

**Hon. Gérald-A. Beaudoin:** Honourable senators, Senator Paul David, Companion of the Order of Canada, will reach the mandatory age of retirement over the Christmas period. I wish to pay tribute to him today.

Senator David comes from a line of illustrious political figures. As mentioned earlier, Senator Laurent Olivier David, his grandfather, who lived from 1840 to 1926, was a close friend and comrade-in-arms of Sir Wilfrid Laurier, the Prime Minister of whom he has written a biography that is still referred to. His father, the Honourable Louis Athanase David, born in 1882, served as Provincial Secretary of Quebec from 1919 to 1936 and in the cabinet of the Quebec Premier Louis-Alexandre Taschereau.

• (1420)

Louis Athanase David was appointed to the Senate in 1940 by Prime Minister Mackenzie King. Minister and Senator Athanase David went down in history as a great friend of the arts and literature. He founded the prestigious David Literary Award in Quebec in 1922.

Our colleague Paul David, appointed to the Senate by Prime Minister Mulroney in 1985, is a famous cardiologist whose reputation extends far beyond Canada's boundaries. He founded the Montreal Heart Institute in 1954 and was its director until 1984.

Appointed to the Senate on September 26, 1988, I had the good fortune to see Senator Paul David at work for four years.

He was known for his many well-written speeches and also for his untiring work in committee. He was particularly interested in matters related to the Canadian Constitution, as were his ancestors before him. He made a good team with Senator Arthur Tremblay and Senator Martial Asselin.

A graduate of the Université de Paris, the Université de Montréal and Boston University, Senator David is a cultured and charming man, and very good company.

In the spring of 1992, he was struck by a cruel disease. We are still hoping that he will regain his health. Our best wishes to him, to his wife, Dr. Yvette Lemire, also a cardiologist, and to his children. Thank you, Paul David.

**Hon. Thérèse Lavoie-Roux:** Honourable senators, on December 25, Senator David will reach the age of mandatory retirement for members of this house. It is with great pleasure, but also with sadness, that I pay tribute to our colleague today.

I will not make any attempt to summarize Senator David's résumé. It would take too long and, in any case, others have done it before.

I will only say that his academic distinctions, as well as the very important positions he has held, particularly in the field of cardiology, and also the many tributes paid to him in Quebec, in Canada and abroad, give a good idea of the remarkable qualities of Dr. David from a personal, professional, scientific and social point of view.

Here in the Senate, and for as long as his health allowed him to participate in all the major debates, we were privileged to benefit from his great culture, his remarkable intelligence, his solid judgment and his uncommon wisdom.

Beyond the daily debates and the review of various pieces of legislation in which he took part, Senator David also conducted in-depth studies of issues affecting Canadian society as a whole.

Here are just a few: the abortion issue, in 1988; Canada's demographic trends, in 1989; health care and its changing costs, also in 1989. When he left us for health reasons, shortly before the referendum on the Charlottetown Accord, Senator David was working on the historical perspectives of Quebec society and the understanding of the distinct society.

Although this is by no means the only work to which he contributed, I want to say a few words about a major development in the history of health services in Quebec. I am referring to the Montreal Heart Institute, with which his name is and will always be associated.

In the early 1950s, barely into his thirties, he dared to conceive of this very bold project which finally took shape in 1954; it was the second of its kind in the world, the first one being in Mexico. Since then, several others have been created on the model of this institute.

I would now like to quote Dr. Marcel David, the former director of professional services at the Montreal Heart Institute, who said this on the fortieth anniversary of the creation of the institute:

> Little prince: Dr. David, design me an institute.

He added:

> Dare to dream such a dream and found an institute dedicated entirely to cardiology. It took someone of Dr. David's calibre.

He added:

> Elementary. All he needed was to have his head in the stars and his feet on the ground, to be both a visionary and pragmatic; not some wild-eyed visionary but clear-headed and perceptive, a courageous man who would not reject an audacious idea that came to him at the right time, a powerful idea that would become his reason for living.

That life would then be just a matter of stubborn persistence, ceaseless efforts, patient and intelligent diplomacy and no doubt impatient inner trepidation as well when faced with difficult obstacles to overcome, and they always were overcome.

This combination of a powerful man of action and an inspired visionary made the dream of a Montreal Heart Institute a reality. In a word, Dr. David is the Montreal Heart Institute.

We still recognize this visionary quality in him today, since he has always been good at long-term planning. In carrying out his projects, he always considered what would happen later.

I have had the privilege of knowing Senator David for many years and I would like to take this opportunity today to stress the qualities that everyone recognizes in him, namely his culture, refinement and sensitivity to the needs of others. It may sound redundant, considering how much his qualities have been praised in this chamber as well as elsewhere, in other circumstances. He is a leader who, in spite of all his titles and achievements, will always stay modest and unaffected. He is a hard worker who listens to people, is fair, honest, and always full of wisdom.

When I was Minister of Health and I needed a mediator to deal with a rather touchy problem concerning immigrant physicians, his name naturally came up among others as the one who could resolve this touchy problem which, at a certain point, could have put lives at risk.

We know that Senator David would have liked nothing better than to be back with us in the Senate, but his health would not allow it. I know that he will be sad when the tributes we are paying him today reach him. I want to assure our friend that he will be remembered by his Senate colleagues as one who was very conscientious in all he did, and always spoke words reflecting high intellectual integrity as well as superior intelligence and deep respect for the dissenting opinions that may be expressed in this chamber.

Be assured, Senator David, that you will remain for us a great Montrealer, a title which you received in 1980, a great Quebecer recognized by the Ordre national du Québec in 1988, and a great Canadian whose merit was recognized as early as 1967, when you were awarded the Canadian Centennial Medal, in 1968, when you were named Officer of the Order of Canada, and in 1981, when you were promoted to Companion of the Order of Canada. I wish to express to you our friendship and our gratitude, a feeling which, I am sure, is shared by your fellow citizens, especially those in Quebec.

I hope that your wife, Dr. Lemire, your six children, of whom you can be proud, and your grandchildren will share many more years of happiness with you.

**Hon. Jacques Hébert:** Honourable senators, I wish to join in the warm and eloquent words spoken by the Leader of the Government and some other senators about our colleague Senator David. I knew him slightly before his appointment to the Senate but, like Senator Fairbairn, I got to know him better while travelling with the Special Committee of the Senate on Youth to hold public hearings and long discussions.

He willingly chose to serve on this committee because of his genuine faith in youth. This could be seen in the way he spoke to young people during the public hearings, of course, but also in the less formal meetings that we had with youth groups in all major Canadian cities. I have always been impressed by Senator David's interest in youth and hence in the future of our country. Even if there were no other reason—and there are many others — this interest alone would be enough to make me sincerely regret his leaving the Senate.

**Hon. Jean-Robert Gauthier:** Honourable senators, as the youngest, or shall I say the newest member of this house, allow me to say a few words.

Doctor Paul David was a friend to me. I met him as a parliamentarian, when both of us were sitting on the Joint Committee on Official Languages. We do not always tell what goes on in committees, but let me say this. To us, Paul David was a simple man and an honest man who was able to recognize the importance of Canadian issues, such as fairness in the area of language rights.

I must say that to us, members of the French-speaking minority, Paul David was a strong supporter, and I want to pay tribute to him because he helped us to develop worthy programs throughout the country which have made Canada one of the best places in which to live.

As president of the Assemblée internationale des parlementaires de langue française, I want to remind my colleagues that Senator David sat on the Canadian executive and contributed to the development of our large French-speaking community and helped to improve the situation, especially in African countries.

He had a legitimate interest in this area, and he expressed his thoughts and his good intentions and showed his simplicity and honesty, both at the international and the national levels. In this regard, I want to say to him: Thank you, Paul.

**Hon. L. Norbert Thériault:** Honourable senators, I would like to add my voice to all those who have paid homage to Senator David. Senator David and I were neighbours, meaning he was my desk neighbour. Naturally, as such, I often consulted him, sometimes even as a patient when I had health problems in his field. My wife and I went on a few trips with him and his wife, including a trip to Africa which I will never forget. His charming wife became a good friend of my wife's, and one of his daughters is a long-time friend of one of my own daughters living in Montreal. Therefore, he is almost a member of the family.

I have always been a fervent observer of Quebec politics and I teased him a lot when he came to the Senate as a Tory senator, after his grandfather and father had been liberal senators. I teased him and asked if he was serious in his political choice.

Everyone knows that Senator David was extremely serious; too serious, perhaps, for his own good. Later on, knowing he had founded the Montreal Heart Institute and was now president or director of the Institute — I am not sure of his exact title — I began to see him more truly as Senator Paul David.

On one occasion, when I went to visit him in his office, I noticed that he was smoking. I said to him, "Senator David, you have disappointed me again. The first time was when I realized that you were a Conservative senator. This time is more serious. With all that you have said and written about cigarettes, how can you still be smoking?" He asked me how I had stopped smoking — this was before I started turning to my friends for cigarettes — and I told him that I had stopped because of a serious health problem. I had had bypass surgery. He said that perhaps that was what it would take for him to stop smoking, a shock like that. He added that he stood by everything that he had said and written about cigarettes; that that, and not what he was doing, was what he recommended.

Such was the sincerity of the man. I often consulted him as a doctor, and I would tell him that he was too serious. He would say to me, "Norbert, that is the way I am. When I have things to do, I cannot stop, I cannot relax until the work is finished, and it is never finished."

Honourable senators, I extend my best wishes to Mrs. David and to our colleague. I have been devastated to learn the nature of Senator David's illness. His office will now be occupied by Senator Gauthier. His secretary and research assistants had, in a way, become part of my staff.

I wish him health. I wish it from the bottom of my heart. I still hope that there will be a miracle and that Senator David will return to work, but if it is not to be, I wish him and his wife the courage and the strength to go on.

[*Later*]

**Hon. Marcel Prud'homme:** Honourable senators, I simply want to add my own comments to all that has been said about this remarkable man. I say he served French Canadians and Canada very well. It is touching for me to be saying this because I came to know Senator David through my father, who was a friend of his father.

This means, of course, that in my family we talked a lot about politics. We knew Sir Athanase David and Senator David very well. We are all aware of his affection and devotion for the French language, French Canadians, his country and the Senate. We will all miss him tremendously, and I would like to assure him of our kindest regards.

[*English*]

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, I should like to associate myself with the remarks of honourable senators regarding Dr. David. My colleagues have covered his career and his life very well.

I first met Senator David when he was known as Dr. David, the founder and director of the Montreal Heart Institute. My late father, Senator Ray Petten, was a patient of his at the heart institute, Maisonneuve Hospital, in the mid-1950s. I give Dr. David credit and thanks for extending my father's life. It is my fondest wish that he return to good health to enjoy his well-earned retirement.

**Hon. M. Lorne Bonnell:** Honourable senators, I should like to add my name to the list of people who had all those nice things to say about Senator David. We will miss him as a colleague. As well, we will miss him as a member of the medical profession.

Senator David, Senator Keon, Senator Haidasz, Senator Phillips, Senator Demarais and myself are all members of the medical profession in this place, and our number will now be reduced by one.

The Senate was an institution run by the legal profession until the medical profession showed them they could go nowhere without our support and help. Consequently, when we lose one of our good physicians, it is a sad day for this chamber.

Honourable senators, Senator David reaches the good old age of 75 on Christmas Day. I extend my best wishes to him and to his family. We will miss him.

While I am on my feet, I wish to extend best wishes to another Senator. Senator Finlay MacDonald will have a birthday on January 4th. He was born at the same hour, on the same day of the same week, of the same month and year that I was born on Prince Edward Island, although, of course we had different mothers and fathers. He was born in a hospital, and I was born at home. We were both wrapped in blue blankets, but I turned mine into a red one. He stayed with the blue.

Merry Christmas to you all, and to all a good night!

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• (1450)

# ROUTINE PROCEEDINGS

## CANADA GRAIN ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Dan Hays**, Chairman of the Standing Senate Committee on Agriculture and Forestry, presented the following report:

Thursday, December 15, 1994

SIXTH REPORT

Your committee, to which was referred the Bill C-51, to amend the Canada Grain Act and respecting certain regulations made pursuant to that Act, has, in obedience to the Order of Reference of Wednesday, December 14, 1994, examined the said bill and has agreed to report the same without amendment.

Respectfully submitted,

DANIEL HAYS
*Chairman*

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Sharon Carstairs:** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*b*), I move that the bill be read the third time now.

**Hon. Marcel Prud'homme:** Honourable senators, indeed I will give leave. However, as I said earlier, I wish to have more consultation so as to know when leave will be asked. His Honour and I had good communications when he was Deputy Leader of the Government in the Senate. I will, with great pleasure, give leave in this instance. However, I should like it to be known again that consultation in such circumstances should take place.

**The Hon. the Speaker:** You are correct, Senator Prud'homme. I should have asked if leave were granted.

Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

**Senator Prud'homme:** Honourable senators, my displeasure was not directed at the Chair. My displeasure is directed at those who should ask for leave, if they need it to proceed.

**The Hon. the Speaker:** The motion for third reading is now before honourable senators. It is your pleasure, honourable senators to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

## CANADIAN ENVIRONMENTAL ASSESSMENT ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Pat Carney**, Chairman of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Thursday, December 15, 1994

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

TENTH REPORT

Your committee, to which was referred the Bill C-56, to amend the Canadian Environmental Assessment Act, has, in obedience to the Order of Reference of Wednesday, December 14, 1994, examined the said bill and has agreed to report the same without amendment.

Respectfully submitted,

PAT CARNEY
*Chairman*

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Colin Kenny:** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*b*), I move that the bill be read the third time now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

## WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION BILL

REPORT OF COMMITTEE

**Hon. John B. Stewart**, Chairman of the Standing Senate Committee on Foreign Affairs, presented the following report:

Thursday, December 15, 1994

The Standing Senate Committee on Foreign Affairs has the honour to present its

FOURTH REPORT

Your committee, to which was referred the Bill C-57, to implement the Agreement establishing the World Trade Organization, has, in obedience to the Order of Reference of Wednesday, December 7, 1994, examined the said bill and has agreed to report the same without amendment, but with the following observations and recommendations.

The Committee is of the opinion that the World Trade Organization will come under justified criticism unless adequate provision is made to ensure political accountability, transparency, and relevance.

The Agreement confers on the Ministerial Conference the authority to direct the work of the World Trade Organization and to take decisions on all matters under any of the Multilateral Trade Agreements; however, the Conference is to meet as infrequently as once every two years. The Committee believes that this will not provide effective political control of the Organization; consequently, the Committee recommends that Canada pursue aggressively with other Members the implementation of structures and procedures to ensure that the ministerial meetings exercise effective control of the Organization and to ensure both transparency and relevance.

In constituting the delegation to the Ministerial Conference, the Minister should consider the inclusion of members of both the Houses of Parliament and of persons drawn from the public.

In addition, the Minister responsible for representing Canada in the World Trade Organization should report annually to both Houses of Parliament on the functioning of the Organization and on all significant issues requiring decision by Canada and affecting Canadian interests.

Also, we recommend that such reports be referred to the Standing Senate Committee on Foreign Affairs for consideration and report.

Respectfully submitted,

JOHN B. STEWART
*Chairman*

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Jack Austin:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*b*), I move that the bill be read the third time now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I wish to speak to this bill, but we do not have a copy of the report. One will be distributed, surely.

**The Hon. the Speaker:** Is it the wish of the Honourable Senator Lynch-Staunton to delay this matter until later this day?

**Senator Lynch-Staunton:** Honourable senators, I move that the item be placed on the Orders of the Day for consideration later this day. It is an important bill, one which deserves more consideration than that which is given by passing it automatically.

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, I agree with the Leader of the Opposition.

**The Hon. the Speaker:** Is it agreed, honourable senators, that the bill be placed on the Orders of the Day for third reading later this day?

**Hon. Senators:** Agreed.

On motion of Senator Lynch-Staunton, bill placed on the Orders of the Day for third reading later this day.

## FARM SAFETY

AGRICULTURAL AND FORESTRY COMMITTEE AUTHORIZED TO EXTEND DATE OF FINAL REPORT ON STUDY

**Hon. Dan Hays:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), and notwithstanding its order of reference of March 17, 1994, I move:

That the Standing Senate Committee on Agriculture and Foresty be authorized to continue its special study on farm safety and farm-related health issues, and that the Committee present its report no later than June 30, 1995.

**The Hon. the Speaker:** Honourable senators, is it your pleasure to adopt the motion?

Motion agreed to.

## ONTARIO COURT GENERAL DIVISION

NOTICE OF MOTION TO STRIKE SPECIAL COMMITTEE TO EXAMINE AND REPORT UPON THE CONDUCT AND BEHAVIOUR OF CERTAIN OFFICERS AND JUSTICES

**Hon. Anne C. Cools:** Honourable senators, pursuant to rules 57(1) and 58 (1), I give notice that, two days hence, I shall move:

That a Special Committee of the Senate be constituted to examine and report upon the conduct and behaviour of certain justices and officers of the Ontario Court of Justice (General Division), where their conduct includes

(i) failure to take judicial notice of the Constitution, the Law of Parliamentary Privilege, the laws of Canada pertaining to the Senate, and

(ii) failure to comply with the said laws and privileges and

(iii) their other conduct related to the Constitution, the Law of Parliamentary Privilege, and the dignity of the Senate; and

That the committee be further empowered to consider and report upon related matters which may concern the privileges of the Senate; and

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee; and

That the committee be composed of five members, three of whom shall constitute a quorum; and

That the Committee of Selection be instructed to decide and report upon the membership of the Special Committee.

**Hon. Lowell Murray:** Honourable senators, Senator Cools has given notice, as I understand it, of her intention to move a motion on that matter. Now is not the time to discuss whether or not the motion is in order, much less whether it is appropriate. However, I reserve the right to raise those questions when the motion is before us.

## CANADIAN WHEAT BOARD

EXPANSION OF POWERS—PRESENTATION OF PETITIONS

**Hon. Dan Hays:** Honourable senators, on behalf of some 40 petitioners from the province of Saskatchewan, I have the honour to present in the Senate a petition to Parliament requesting that it continue to give the Canadian Wheat Board monopoly powers in relation to the marketing of wheat and barley to export, and that the Canadian Wheat Board's marketing powers be expanded to include all grains and oilseeds.

[*Translation*]

## CANADA COUNCIL

CONSULTATIONS ON THE FUTURE

Leave having been given to revert to Notices of Motions:

**Hon. Jean-Louis Roux:** Honourable senators, I give notice that on Tuesday next, December 20, 1994, I will call the attention of the Senate to the fact that Mr. Roch Carrier, Director, and Mrs. Donna Scott, Chairman of the Canada Council, are completing a Canada-wide consultative tour of artistic circles on the Council's future, given that additional cuts in the next budget would greatly jeopardize the organization's original mission.

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[*English*]

# QUESTION PERIOD

## TRANSPORT

AUTOMATED NAVIGATIONAL AND WEATHER SYSTEMS—
REQUEST FOR DOCUMENTATION—GOVERNMENT POSITION

**Hon. Pat Carney:** Honourable senators, my question is directed to the Leader of the Government in the Senate. Recent reports bring into question the reliability of automated navigational aids and automated weather stations, including the automatic weather observation system, AWOS.

Would the government make available all documents in its possession regarding the purchase and testing of all automated navigational aides and automated weather stations, including the AWOS system used by the Coast Guard in British Columbia and Atlantic Canada?

**Hon. Joyce Fairbairn (Leader of the Government):** Senator Carney, I will refer your question to my colleague and try to obtain an answer, which perhaps I can communicate to you during the break.

PEARSON INTERNATIONAL AIRPORT REDEVELOPMENT—
ALLEGED INVOLVEMENT OF PRIME MINISTER—
REQUEST FOR FURTHER ANSWER

**Hon. Orville H. Phillips:** Honourable senators, yesterday the Deputy Leader of the Government in the Senate tabled what was supposed to be a delayed answer to questions asked by the Honourable Senator Ron Ghitter and myself. I appreciate the Deputy Leader's courtesy in attempting to provide an answer except, unfortunately, he forgot to answer the questions.

In 1989, the Honourable Jean Chrétien, then a member of the law firm of Lang, Michener in Ottawa, was present at a meeting with Mr. Jack Matthews of the Pearson consortium. The meeting lasted about an hour and a half. Mr. Chrétien, in a statement in the other place, denied that he had attended that meeting as a lawyer.

My question, honourable senators, is: What was Mr. Chrétien's capacity at that meeting? Was he a consultant, a lobbyist, legal counsel, or was he present in all three capacities? I understand that his bill indicates he was present in all three capacities.

Can the Honourable Leader of the Government advise me in what capacity Jean Chrétien attended that meeting?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as Senator Phillips observed, the Prime Minister answered questions in the other place on this matter. That answer was transmitted to Senator Phillips and to Senator Ghitter.

Senator Phillips, I will transmit your question of today and see what transpires.

**Senator Phillips:** I have a supplementry question, honourable senators. We on this side have repeatedly asked for a judicial inquiry into the Pearson airport lease. I would ask the Leader of the Government to use her considerable influence and charm on the Prime Minister, and persuade him to appoint a judicial inquiry. Such an inquiry would reveal the full extent of Mr. Chrétien's involvement in the negotiations leading up to the Pearson airport lease, and the propriety of the fact that Mr. Chrétien turned over his legal files to his former partner, Mr. Robert Wright, and then appointed Mr. Wright to draw up the compensation package offered to the Pearson airport consortium.

• (1510)

Honourable senators, I feel the public is entitled to such an inquiry. They are entitled to know the full extent of Mr. Chrétien's extensive involvement in the negotiations leading up to the completion of the deal. I do not think there is any other accurate way to do it other than by having a judicial inquiry.

**Senator Fairbairn:** There are many things I could say at this moment, but I will refrain from doing so. The Prime Minister, in his response, has indicated that he did not have an involvement as a lawyer in this issue. I will be pleased to put the details of this question for a further response. There is, to my knowledge, no evidence whatsoever that the Prime Minister had extensive involvement in the negotiations leading up to the Pearson Airport Agreement.

## PRECINCTS OF PARLIAMENT

### TUNNEL BETWEEN EAST BLOCK AND CENTRE BLOCK— REQUEST FOR INFORMATION

**Hon. Richard J. Doyle:** Honourable senators, my questions are for the Leader of the Government in the Senate and are in connection with the building of a tunnel to connect the East Block and the Centre Block.

In the absence of any agreement or consultation on this undertaking, could we in the Senate be advised of the amounts of various tenders which must have been submitted by applicants for the job? Have limits been set on cost overruns? Could we have assurances that offices and corridors in the Senate precincts will be returned to their present state at the conclusion of the construction? Could we be advised whether the existing tunnel between the East Block and the Centre Block continues to be used for pipes and cables and other services, and will the new tunnel be primarily a promenade or a sheltered walkway — mostly for members of the House of Commons who have approved this undertaking?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will take all of Senator Doyle's questions and prepare a complete answer for him during the interim of our adjournment. I will undertake to provide that information more quickly than the last time he set out a great number of questions related to these kinds of issues.

As honourable senators will recall, yesterday Senator Comeau asked a question on this same subject. I have received some preliminary responses. If I may, I will give them with the caveat that the further information which Senator Doyle requires will be provided upon our return.

May I also express my regrets that Senator Hastings is not present, particularly in his capacity as Chairman of The Standing Committee on Internal Economy, Budgets and Administration, because I am sure he would be in a better position to answer some of these questions.

I am advised that the tunnel project is a part of the Department of Public Works' long-term plan. I am also advised that the Senate, through the Standing Committee on Internal Economy, Budgets and Administration, was consulted on at least two occasions on this plan.

**Senator Lynch-Staunton:** Consulted?

**Senator Fairbairn:** This is what I am advised. I will try to find out further details as to time and place.

All senators will know that last August 18, Senator Hastings sent a memo to all of us on the subject of the East Block tunnel, indicating approval for the renovation and repair of that link between the Centre Block and the East Block. It was indicated that it was part of the Department of Public Works' long-term plan to renovate Parliament Hill; that the project would commence in April of 1995; and that it would continue over a period of approximately 12 months. He indicated in his memo that officials from the Department of Public Works had indicated to him that they would do everything possible to limit inconvenience to senators, to Hill employees, and to visitors.

Certainly one of the reasons for the repair and construction of this tunnel was that there would be a secure link between the East Block and the Centre Block. It was felt that a lack of such a facility would jeopardize the safety and security of parliamentarians in the event of an emergency.

As I said, I will take the questions of Senator Doyle, and I will attempt to obtain a fulsome answer by the time the Senate resumes.

**Hon. John Lynch-Staunton (Leader of the Opposition):** As a supplementary question, is the Leader of the Government confirming, then, that the courtesy extended to senators and their staff, employees and others directly affected by these works, is limited to the receipt of information? Are we no longer to be consulted, whether it relates to the moving of the post office, the construction of the tunnel, or the building of the committee room? It is simply assumed that it was all approved at a certain date a long time ago, and, on occasion, we will be informed of what is happening. Is this what we are being told?

**Senator Fairbairn:** Honourable senators, that is not what I am intending to imply. I wished to give at least a partial answer today, because that is the procedure I followed respecting the questions asked by Senators Comeau and Doody.

I would also add that, to the best of my knowledge, all of the costs of this undertaking will be costs of Public Works and not of the Senate of Canada.

If I might extend the answer further, there may have been other discussions with officials in the Senate of which I am unaware. I have today spoken to my colleague, the Minister of Public Works, and I have asked that the Committee on Internal Economy, Budgets and Administration, and the Speaker of the Senate be pulled into these discussions as they develop in the future.

**Hon. C. William Doody:** For the sake of the record, honourable senators, my question yesterday was to ask the Leader of the Government in the Senate for assurances that these construction projects which have been undertaken from Centre Block through and to and in the East Block are an initiative of the Department of Public Works and the Government of Canada, and not of the Senate. I do not want to pick up the *Citizen* tomorrow and see another onslaught on all these "big spenders".

in the Senate who are building lavish tunnels. In fact, we have been struggling back and forth through the existing tunnel for the past 15 years, somewhat discomfited but certainly able to make it. We did not ask that this tunnel be built, nor that renovations take place across the way.

**Senator Fairbairn:** I certainly intended to state quite clearly that this is a Public Works initiative. It is not a Senate initiative. The Senate has been very prudent in its activities over the last few years, and even up until this point. We are sometimes unjustly criticized for things in which we as senators have no involvement. We have, indeed, put a halt to the renewal of the carpeting in the Senate chamber. As well, on our own initiative, the improvements to the sound system have been halted. We, on both sides of this chamber, have taken some very prudent action in recent days. The record should reflect that.

## TRANSPORT

### ATLANTIC REGION FREIGHT ASSISTANCE PROGRAM— REQUEST FOR IMPACT ANALYSIS—REQUEST FOR ANSWER

**Hon. Brenda M. Robertson:** Honourable senators, I ask the Leader of the Government in the Senate if I may receive a response to the question I asked about ten days ago regarding Atlantic freight rate subsidies. If she could send it to my office during the break rather than waste the complete intervening period, I would appreciate it.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to do that. Unfortunately, I am unable to provide the answer today. We have been turning these answers out as quickly as we can, but some take a little more time.

## HUMAN RIGHTS

### COMPENSATION TO CANADIANS FOR PAST INJUSTICES

**Hon. A. Raynell Andreychuk:** My question is to the Leader of the Government in the Senate. The press has reported that six groups have been contacted about redress for certain injustices of the past. I understand that the Secretary of State for Multiculturalism, Ms Finestone, has indicated that she has conveyed some sort of apology to these six groups and that no compensation will be awarded.

• (1520)

My question is this: Why is the compensation to Canadians — not ethnic Canadians, but Canadians — given such low priority? Why is it not taken as an injustice and a wrongdoing which must be corrected?

This is not a category of broad compensation, but rather one of real loss by real Canadians — loss of their rights, their property, their livelihood, and a diminishment of their lives. I believe the issue is now confused.

Will the Prime Minister take this matter as a priority? Will the Prime Minister apologize? Why would Canadians of ethnic background, but nonetheless Canadians, be treated differently? Why are these issues not looked at as meritorious issues for Canadians? Why are they put into such a category? I would appreciate answers to these questions — answers which may clear up some of the confusion which has been created.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I regret that I do not have with me today my colleague's letter and a note of the comments she has made. I will endeavour to ensure that whatever information is available is conveyed to my honourable friend.

Honourable senators, there is no question about the seriousness with which the government has taken these issues. For some time there has been a commitment to create a race relations board. There have also been a number of statements by the minister, and by others in the government, including the Prime Minister, of deep concern about the issues to which my friend refers. I will do my very best to get as much material as I can to her to dispel her concerns.

## PRECINCTS OF PARLIAMENT

### CONSULTATION WITH SENATE BEFORE UNDERTAKING FURTHER WORK—GOVERNMENT POSITION

**Hon. Gerald J. Comeau:** Honourable senators, I have a supplementary question to Senator Doody's question of yesterday. I appreciate the response of the minister, but I wish to indicate that Senator Doody pointed to a general question, one which is very demoralizing for those who sit on the Standing Committee on Internal Economy, Budgets and Administration. We struggle with reducing the operational expenses of the Senate. We look at every line very carefully. We go through months of work. All of a sudden, we receive a memo indicating that Public Works gives no thought to what we have been doing for these many months.

Honourable senators, it is demoralizing to be subjected to the way in which Public Works operates. The Minister of Public Works may not find this to be a very serious matter, but all senators do.

Would the Leader of the Government in the Senate relay to the Minister of Public Works that this kind of nonsense should stop? If work requires to be done, the Senate should be consulted.

**Hon. Joyce Fairbairn (Leader of the Government):** I will be pleased to relay Senator Comeau's concerns. As I indicated earlier, I have conveyed that message today to my colleague, who was receptive to it. I believe everyone understands that every effort is being made to keep this precinct secure and in good shape, not only for those who serve here, but also for those who visit.

This is an ongoing matter, honourable senators. I will do my best to ensure that the Senate has a rightful place in any discussions that take place and, certainly, are kept apprised of any intentions and information as they develop.

ROLE OF SPEAKERS AS CHAIRMEN OF
INTERNAL ECONOMY COMMITTEES OF BOTH HOUSES

**Hon. Marcel Prud'homme:** Honourable senators, when I served as chairman of members' services in the House of Commons for eight years, representatives of the Department of Public Works would commence projects without notice to members, and leave members of the House of Commons to deal with the public outcry that would follow.

As part of a solution to this dilemma, I believe that the Speakers of both Houses should be given the power to make decisions respecting these projects. That was my opinion when I served in the other place, and it is my opinion now. I know we will have to go through certain changes. Ultimately, I see the Speaker as the Chairman of the Internal Economy Committee in the Senate. That is my position.

I share the frustration of my colleagues in being singled out as being responsible. The Speakers of the two houses of Parliament are, as far as I am concerned, the ultimate guardians of Parliament Hill. I know I am bucking tradition, but, surely, if our Speakers do not undertake this task, someone should become the guardian of the hill, and the members of both houses should be consulted.

Would the Leader of the Government consider this positive suggestion?

**Hon. Joyce Fairbairn (Leader of the Government):** As honourable senators will appreciate, at this point in time, I do not have access to my friend's predecessors to familiarize myself with the discussion that took place at that time. However, I do know that the Minister of Public Works was most receptive to my suggestions along that line this morning. I will certainly pursue them with him. As my honourable friend would know, he is a great proponent of following correct procedures on Parliament Hill.

REQUEST FOR DEFINITION

**Hon. Jean-Robert Gauthier:** Honourable senators, can the Leader of the Government in the Senate undertake to provide us with a definition of "parliamentary precinct"? What falls under senatorial authority and what does not fall under senatorial authority?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be delighted to provide such a definition.

CENTRAL HEATING PROBLEMS—REQUEST FOR REMEDY

**Hon. Eymard G. Corbin:** Honourable senators, I say to the Leader of the Government in the Senate, never mind the Internal Economy Committee! There is something wrong with the heating system in this building. Will you please ask the Department of Public Works to correct it?

I am told that the pipes leading into my office and other offices on the first floor are so corroded and so filled with gunge that the heat cannot get through. Never mind the Internal Economy Committee. Will she please ask Public Works to correct the situation so we do not have to work with frozen feet in a temperature of 50 degrees Fahrenheit?

• (1530)

**Hon. Joyce Fairbairn (Leader of the Government):** Senator Corbin, I have already inquired into this matter. I, too, have discovered a problem with the heating, and it is to the point where I have been using floor heating and blowing the circuits in the office as a consequence. In fact, I conducted some meetings the other day in my down-filled coat.

Honourable senators, I am quite aware of this difficulty with the heating system. I will pursue it vigorously.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, I have responses to questions raised in the Senate by Senator Duncan J. Jessiman on November 24, Senator David Tkachuk on December 1 and Senators Finlay MacDonald, Roch Bolduc and Mira Spivak on November 29. I also have answers to two Order Paper questions, one in the name of Senator David Tkachuk and the other in the name of Senator Jack Marshall, which is now standing in the name of Senator Eric Arthur Berntson.

## PARKS CANADA

USER FEES—GOVERNMENT POSITION

*(Response to question raised by Hon. David Tkachuk on November 17, 1994)*

Through the consultations on user fees which Parks Canada undertook during the summer of 1994, Canadians, including visitors, users and other interested parties benefiting from services, were asked for their advice on how to set fees that are seen to be fair and appropriate.

Consultation activities at Prince Albert National Park included visitor information packages and feedback forms, media releases, letters to elected officials and other community members, telephone interviews, open houses, and public meetings.

In the summer of 1994, more than 100 teachers were contacted by letter and telephone by Prince Albert National Park to solicit their feedback on initial proposals for user fees. Visitors were also asked for their opinions regarding charging for school groups.

The overall response from those who participated in the consultations related to Prince Albert National Park was supportive of the proposal to charge students a fee on a per person per day basis, however, local school organisations did state their concerns with respect to the original levels of fees proposed and methods of collection of fees, and requested further consultations.

In order to respond to the requests from Canadians to continue consultations, the Minister of Canadian Heritage has directed Parks Canada managers to extend the consultation period.

During this second phase of consultations, Parks Canada will seek advice on specific fee proposals and methods of collection of fees. These consultations are under way and will be completed by December 31, 1994.

In response to feedback received during the first phase of consultations related to Prince Albert National Park, the management of Prince Albert National Park will consult on specific fee proposals which take into consideration the need for fees for family and student groups as well as the need to provide a fairer fee structure based on per person use of Parks Canada services.

The director of education for the public schools in Prince Albert has been asked to participate in these consultations, and a meeting was held on November 24, 1994. Parks Canada discussed the proposed fee structure for student groups visiting Prince Albert National Park (the current proposal is to charge students $1.00) and the most cost effective methods to collect these fees.

Prince Albert National Park has also entered into discussions with the local cooperating association to determine how to sponsor students who may not be able to pay the proposed student fee.

Based on all of these consultations, recommendations for fees will be forwarded to the Minister of Canadian Heritage for his approval. The approved fees for 1995/96 will be announced in early 1995.

The final list of fees will be published early in 1995.

## TRANSPORT

### PEARSON INTERNATIONAL AIRPORT— CANCELLATION OF LEASE AGREEMENT

*(Response to question raised by Hon. Finlay MacDonald on December 1, 1994)*

T1T2 Limited Partnership ("Partnership") has caused to be registered against Her Majesty's title to the Pearson Airport property a certain number of instruments (including the Terminals 1 and 2 Complex Lease). On December 14, 1993, the Minister of Transport wrote to the Partnership asking that the Partnership surrender its interest in the Pearson Airport property and reconvey that interest to Her Majesty including providing the appropriate registrable documents relating thereto on a "without prejudice" basis. Until now, the Partnership has refused, omitted or neglected to do so.

The position taken by the Minister of Transport as well as by the Attorney General Canada in the case pending before the Ontario Court (General Division) is to the effect that the continued registration of the instruments creates an impediment to Her Majesty further dealing with the Pearson Airport property.

## SCIENCE, RESEARCH AND DEVELOPMENT

### TAX CREDITS FOR RESEARCH AND DEVELOPMENT

*(Response to question raised by Hon. Roch Bolduc on November 29, 1994)*

In his 1994 annual report, the Auditor General focuses on the need for more thorough and systematic monitoring of and accounting for tax mechanisms for providing assistance to SR&ED.

We agree with the recommendations of the Auditor General to improve data and monitoring. Indeed, we have already taken steps to do so.

We have been working directly with Revenue Canada to improve the capture of data in respect of investment tax credits for scientific research and experimental development (SR&ED). These efforts are being coordinated through an interdepartmental committee established for this purpose. The goal of this work is to put us in a position to better monitor and evaluate federal income tax assistance to SR&ED.

The importance of SR&ED for the Canadian economy and the cost of government assistance in respect of SR&ED necessitate that timely, accurate and useful information be available to monitor and evaluate the performance of federal incentives for SR&ED. It is the intention of the Department of Finance to move expeditiously to carry out an evaluation study of income tax assistance to SR&ED and publish the results.

## REVENUE CANADA

### CHANGES TO EXCISE TAX ON TOBACCO PRODUCTS—INEQUALITY OF TREATMENT OF PROVINCES—GOVERNMENT POSITION

*(Response to question raised by Hon. Mira Spivak on November 29, 1994)*

The government has undertaken a comprehensive national action plan to combat smuggling in Canada.

The plan includes increased enforcement, tobacco tax changes, measures affecting tobacco manufacturers and measures to reduce smoking. This integrated approach is designed to impact both the supply of and demand for contraband tobacco products, causing serious disruption to organized smuggling networks and restoring the domestic tobacco market to legitimate wholesalers and retailers.

The reduction in tobacco taxes is an exceptional undertaking — given the magnitude of the smuggling problem, however, and the potential for continued growth, reduced tobacco taxes are considered essential to the effective deployment of additional new enforcement resources across the country.

For the federal government, the reduction in tobacco taxes involves both a $5 national reduction and matching, province-specific reductions in respect of those provinces that choose to reduce their taxes beyond the $5 national reduction. This scheme was designed to provide flexibility in recognizing the common interest, and working with the provinces, to protect revenues which were being eroded by widespread smuggling.

To date, the government has been pleased and encouraged by the impact of the anti-smuggling initiative — there has been a marked decline in tobacco smuggling and significant seizures and arrests involving organized smuggling networks.

At the same time, it must be noted that enforcement efforts take time to achieve maximum effectiveness when operating against widespread, organized criminal elements — the government will continue to closely monitor the smuggling situation and will take appropriate action as warranted.

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

THE BUDGET PLAN—PROGRAM FUNDING

**Hon. William J. Petten (Acting Deputy Leader of the Government)** tabled the answer to Question No. 47 on the Order Paper—by Senator Tkachuk.

MINISTRY OF CANADIAN HERITAGE—
FUNDING LEVELS FOR NATIONAL SPORTS ORGANIZATION

**Hon. William J. Petten (Acting Deputy Leader of the Government)** tabled the answer to Question No. 65 on the Order Paper—by Senator Berntson.

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# ORDERS OF THE DAY

## WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION BILL

THIRD READING

**Hon. Jack Austin** moved third reading of Bill C-57, to implement the Agreement Establishing the World Trade Organization.

[*Translation*]

**Hon. Roch Bolduc:** Honourable senators, trade policies are an important asset among the public policies that the government has at its disposal to promote economic growth and employment.

Indeed, such a goal must be supported by our international trade, our ability to export and to enter world markets. We will not grow richer by limiting ourselves to our domestic market; we have to make profitable sales on foreign markets.

This bill is so important that I had to speak on it. We are about to pass one of the most important pieces of legislation ever. This legislation is in line with the philosophy of our party, beginning in 1988 with the Free Trade Agreement, then NAFTA, and now this one which is the descendent of the others that preceded it.

Traditionally, because Canada was sparsely populated and rich in natural resources, we prospered thanks to our ability to provide industrialized countries such as England with raw materials such as metals, paper and wood. This allowed us to diversify our production so that we now export a lot of finished products and services, such as automobiles, electronic equipment, airplanes and turbines, so much so that today 40 per cent of our exports to the United States, for example, are manufactured goods, as opposed to 10 per cent in 1960.

In that respect, the 1988 free trade deal had structuring effects. From 1989 to 1992, the value of our exports to the United States increased by 24.3 per cent.

It is the high value-added sectors that benefit the most from access to the American market. Of those 16 liberalized sectors, 13 have captured shares of the American market. While it is too early yet to draw definitive conclusions, our overall performance is encouraging, at least on that side. Of course, the Americans have also captured shares of the Canadian market in some areas, and a major percentage of trade comes from transactions between multinational firms, but the fact is that our trade balance is doing well and that our competitiveness in recent years has been better than some expected.

We are now operating successfully in a bigger context in North America, and we should be optimistic. As a matter of fact, the government has embraced the idea. Our friends opposite certainly have come a long way since 1988, especially since NAFTA!

The Prime Minister recently announced that we will have a fourth partner in NAFTA, while we wait for the day when all 750 million North and South Americans can join.

It should perhaps be noted here that Mexico has the same buying power as Ontario. It is equal to the buying power of 8.5 million Canadian or American consumers.

May I add that, with a population of 150 million, Brazil is the tenth largest industrial power in the world, and that the industrial production of the province of Sao Paulo alone exceeds that of Spain and Portugal combined. Also, with a GNP of $295 billion U.S., Argentina's economic activity is greater than that of Ontario, which totals $228 billion U.S., and is double that of Quebec, which totals $130 billion U.S.

However, the bill before us opens other doors as a result of a strong tendency toward globalization of the market economy. Everybody knows that the technological advances of the past decades have resulted in a considerable drop in transportation and communications costs, which has led to a decentralization of manufacturing on a world-wide basis. Today, parts can be manufactured and assembled almost anywhere, according to the law of comparative advantages, and then be distributed according to international demand.

While businesses were opening plants all over the world, they were also concluding agreements with other foreign businesses. With the liberalization of financial markets, it became almost inevitable that the liberalization of trade in goods and services would follow.

The logical conclusion to this structural transformation was the success of the Uruguay Round, which led to the creation of the World Trade Organization, a 45-year-old dream that will become reality in 1995.

Many people criticized the process of negotiation leading up to this historical agreement; but when you think of it, seven or eight years to reach an agreement among 125 countries with different interests and at various stages of development is not that long.

The agreement deals not only with tariff cuts of nearly 40 per cent as a whole — bringing tariffs down roughly to between 10 and 5 per cent for most products — but also with important breakthroughs in more difficult areas such as textiles and clothing, for which tariffs will drop from 32 to 18 per cent, and agriculture, where tariffs will remain high but where quotas will be replaced by tariffs, which will be progressively phased out in order to avoid widespread destabilization and to maintain, as much as possible, the rural lifestyle specific to each country.

There were also breakthroughs in the definition of what constitutes a subsidy. God knows how important this is, especially in view of the fact that none existed before. It will also be useful in the case of NAFTA. There were breakthroughs in the rules concerning intellectual property, so dear to our southern neighbours and to us, too, in fact; breakthroughs in the rules concerning dispute settlement procedures, which have been greatly improved; and finally, in the opening up or gradual liberalization of new areas in the service sector. It is not a complete opening up; just a beginning, in the areas of transportation, professional services, and telecommunications, to name but a few.

For a province like mine, this agreement opens up additional markets for the metal and paper industries, electrical and electronic products, transportation equipment, pharmaceuticals, engineering, data processing and geomatics services, environmental technology services, and many other sectors. There are benefits for the consumer, while trade relations between countries and producers are put on a more civilized footing.

On the Foreign Affairs Committee, a number of senators expressed on a not unreasonable concern about the bureaucracy taking over the new World Trade Organization and the attendant potential loss of political accountability among its leaders. This is a very real possibility, since a major part of policy-making activities in the years to come will take place via decisions by panels or by adjudication, and not via decisions by democratically designated political leaders.

In the past, adjudications under GATT rules were not a major threat, because most of the policy-making took place in individual countries via the mandates given by government authorities to their own negotiators at the Kennedy Round, the Tokyo Round and the other rounds, but at the time, there were few participants, only a few dozen.

Today, with 125 countries and perhaps other major players like China, probably, in a few years time, the nature of the process may be altered. Policy-making will not take place during the general round but as a result of add-ons here and there following private agreements on, for instance, transportation, telecommunications or financial services, or as a result of panel rulings or arbitration, the consequences of which some countries feel are undesirable.

We will therefore need parliamentary and government mechanisms to review, from time to time, the performance of the leaders of an international organization that will play such an important role in the future. That being said, I will be very pleased to support this bill.

[*English*]

**Hon. Jerahmiel S. Grafstein:** Honourable senators, Canada is a trading nation. Canada's future depends on trade. Suddenly, this year, trade policy has transformed foreign policy and captured the public agenda.

Some argue that Canada has become almost too obsessed by trade. If foreign policy forms an analog to domestic values, if foreign policy reflects domestic policy, *a fortiori* it affects trade policy.

Henry Kissinger, in his monumental book on foreign policy entitled *Diplomacy*, published earlier this year, faintly mentions global trade. Mr. Kissinger only dedicates one page out of 835 to deal with global trade policy.

All this has changed in just one year. Trade has now become a national priority in all countries around the globe. Trade has become the icon of the new world order. Canadians now worry that greater globalization of trade silently and surreptitiously erodes Canada's independence, Canada's sovereignty. Are we losing control of our future? Are we delegating our destiny to amorphous international organisms?

The Special Joint Committee on Reviewing Canada's Foreign Policy travelled across Canada this year and uncovered a deep desire among Canadians who crave greater direct participation, greater access to decision-making in foreign policy and trade policy formulation. Canadians want to be more actors than victims of global forces.

This emerging paradigm of public dialogue presumes a condition precedent, a level playing field of coherent information, a broader strata of data to forge informed public opinion.

• (1540)

Walter Lippman, in his book many decades ago entitled *Public Opinion,* defined "informed public opinion" as essential to the healthy operation of democratic governance. This is a truism.

Parliament needs better and regular information to consider and calculate the impact of these complex global arrangements on Canadian life. Trade touches practically every Canadian. Almost every Canadian job is affected by Canadian trade. Parliament needs a broader level of expertise to strategically assess and react to swift changes in complex international trade, policy and practices. Hence, the Standing Senate Committee on Foreign Affairs' recommendation in its report today to the government that an annual report be made to Parliament to allow the committee of the Senate an opportunity to consider trade policy and its practices, as it changes from time to time, as a continuum on an annual basis.

Parliamentary committees allow a platform for public participation in the evolving policies of the WTO. They also provide affordable access and a safety valve for wider public participation in these global processes.

We live in a global era. No one can deny that. We need precision, practices, policies and people to navigate the Canadian ship of state through the confusing cross-currents and treacherous shoals of global trade.

May I commend the Prime Minister and the Minister of International Trade for their leadership on the trade front. We now need informed public policies of surveillance to match progressive policies.

**Hon. A. Raynell Andreychuk:** Honourable senators, I also want to highlight the importance of this proposed legislation which we are being asked to pass today. I cannot think of one single piece of legislation that will affect all of our lives as much as this.

For the purposes of brevity, I would associate myself with the comments made by Senator Bolduc about the effect of the World Trade Organization agreement and the history which has led to this point.

I also want to associate myself with Senator Grafstein's remarks, with one exception: I do not believe that trade has become our agenda this year. I want to commend the previous government which had the foresight to see that a rules-based economic system was absolutely necessary for the survival of Canada. I would add that there is no such thing as a distinction between domestic policy and foreign policy.

I also want to commend the government of the day and, in particular, Minister MacLaren for the vigour with which he has pursued and continued the direction that was started, and for being able to present the legislation to us at this point.

Canada cannot talk about employment and jobs without having a long-range perspective. The World Trade Organization gives us that opportunity to look to the future. It gives us a playing field where we will, in fact, be able to rely on some rules which may operate to our advantage.

However, the World Trade Organization is an embryonic organization. It has yet to be implemented. The structure of the panels has not yet been decided. We are uncertain how disputes will actually be dealt with. Therefore, it will require the consistent and continued effort of this government to deal with the structure and implementation of the World Trade Organization as a priority issue.

My concern throughout has not been that the legislation is flawed. It is not a perfect piece of legislation. However, any legislation which must involve over 100 countries with different cultures and perspectives cannot be a perfect document for one country. It is the best effort, given the changing times, the lack of certainty and the history, towards any uniform system.

What will be required in Canada, and what I believe is missing to date, is a strategic plan by the government on how it will interpret the agreement, how it will offset advantageous interpretations which may benefit other countries as opposed to ours.

It seems to me that while we have continued to have a good team, both from the bureaucracy and from the political side, in putting our points forward, they have continued to take reactive positions rather than proactive positions.

I, therefore, support the committee's recommendation that there be further scrutiny. Only if political will is brought to bear on the World Trade Organization and upon our partners in world trade will we have an effective, long-range hope for jobs and security in Canada. More parliamentary and public scrutiny can only involve Canadians in understanding and encouraging the government in the right direction and into the art of the possible.

I ponder how many Canadians know that this bill, which will affect their lives, will be passed today. We were told that, in some countries, over 40 per cent of the public polled were aware that a World Trade Organization agreement was being signed.

The recommendation of the Senate committee is timely to further support what I think is an appropriate long-term strategy for world trade. Only if the Senate and the Canadian public is vigilant will we have the level playing field that we so earnestly hope to achieve.

**Hon. Allan J. MacEachen:** Honourable senators, I would begin by drawing attention to the second paragraph of the fourth report of the Standing Senate Committee on Foreign Affairs, which deals with Bill C-57, to implement an agreement to establish the World Trade Organization.

The second paragraph reads:

> The Committee is of the opinion that the World Trade Organization will come under justified criticism unless adequate provision is made to ensure political accountability, transparency, and relevance.

• (1550)

In my mind, that concern flows from the evidence which we heard during the hearings of the special joint committee examining Canada's foreign policy. We heard testimony about the international financial institutions, including the International Monetary Fund and the International Bank for Reconstruction and Development.

As the report says, increasingly serious questions are being asked about the future of the system and the structures and roles of today's family of IFIs, the IMF, the World Bank group, regional development banks, and the Bank for International Settlements.

During its hearings, the committee heard, as the committee report points out, numerous complaints about the international financial institutions. For many of the witnesses, these institutions have become bureaucratic and undemocratic behemoths which are not sufficiently accessible, open or accountable, and which operate in a world of their own, largely insulated from competitive discipline and the concerns of ordinary people.

The report goes on to say that there is dissatisfaction with the lack of sensitivity to such concerns and of public transparency in the procedures used to design and apply structural adjustment policies. Some of the criticism has been harsh and reflects a loss of public confidence, which threatens to undermine Canadians' support for multilateral institutions generally.

The committee to which I have referred, basing itself on recommendations presented to the committee, made a series of recommendations in the expectation that the international financial institutions will reform themselves and will overcome the obstacles which prevent them from holding public confidence today.

There is today no World Trade Organization. As Senator Andreychuk states, it is embryonic. It is in the process of formation. We have heard about the high expectations which are held for the World Trade Organization and the agreements that lay behind it.

Yesterday, a witness from Washington told us that the United States expects to gain enormous benefits from the World Trade Organization and the dispute settlement mechanism, particularly in the field of intellectual property. Similar benefits will flow to other countries.

There is a provision now, we are confidently told, by which trade disputes between member countries will be settled in a dispassionate and judicial manner. These settlements will be binding upon countries. If any particular country fails to abide by a decision, the plaintiff can bring forward retaliatory action. Because of the importance of this mechanism and the world stake in trade, it is my view that the World Trade Organization will be increasingly important. It will become a more powerful organization, and, as Senator Andreychuk has pointed out, have implications for the welfare of citizens in all the member countries.

Having said all of that, I ask myself, "What provision has been made to prevent the World Trade Organization from falling into the same trap of non-accountability that has befallen the international financial institutions?" There is today no world trade organization, but we are setting one up. Who will control the organization? The bureaucrats in Geneva? The missions from individual countries who will congregate in Geneva and develop their own unique trade culture which will become the philosophy that they, with missionary zeal, will attempt to portray to the member governments? What provision is there that there will be political control, which has obviously not been the case in the institutions that we asked to be reformed in our report?

As the report from the committee which has examined the bill points out, there will be a ministerial conference with authority to direct the work of the World Trade Organization and to take decisions on all matters under any of the multilateral trade agreements. The same report goes on to say, however, that the conference is to meet as infrequently as once every two years. It is merely laid out that the ministers will be in charge and they will meet at least every two years. There is absolutely no provision for any structure or any procedure to ensure that in fact political control, direction and accountability will be in place.

Unless steps are taken now, there will be a drift towards bureaucratic control, as was stated by one of the witnesses before the committee in a Freudian slip, telling us that the bureaucracy ran the European Union. The British have been complaining that bureaucrats in Brussels are running the show and the Parliament has damn little to say. That is the contention, at least, of a wing of the British political class.

We — that is, the committee examining the bill — think it is urgent that the Government of Canada develop a strategy to produce structures and procedures which will ensure political ministerial control of this important future organization.

I wish to point out the dangers if this organization becomes insulated from the political forces which are at work, not only in Canada but throughout the world, to link other objectives of society to the question of trade. In the report of the special joint committee it is called "trade linkages." and we point out that we heard a large number of voices advocating that Canada and other countries attach normative conditions to trading relationships and should discriminate in their trade against countries which violate human rights, are careless with the environment, abuse women or children, or suppress labour.

We have concluded as a committee that this is a vital concern. Human rights, environment and labour standards have a place in trade considerations. We say that as soon as the WTO is established, Canada should bring to that body's attention not only the trade linkages mentioned above, but also the problems associated with trade and investment that arise when higher yields attract capital to places where there is little in the way of social or environmental programs.

If the World Trade Organization and Canada are to deal with the representations of Canadian labour and the labour movement in other countries, just to mention one facet of the problem, then the World Trade Organization has to be equipped politically to deal with those worldwide trends.

• (1600)

Not only must ministers run the show, but there must be a link between the World Trade Organization and domestic constituencies. One of the domestic constituencies is the Parliament of Canada. We think there ought to be a link between the World Trade Organization and Parliament. We should make specific proposals that members of Parliament should be part of the delegations to the ministerial conferences, and that the minister be asked to report annually to both houses of Parliament on the functioning of the organization and on all significant issues requiring decision by Canada, and affecting Canadian interests. We recommend that such reports be referred to the Standing Senate Committee on Foreign Affairs for consideration and report.

In addition to Parliament, there are powerful, growing constituencies concerned with environmental issues, human rights and labour standards. How are these forces to be dealt with within the World Trade Organization? How are they to be handled politically? How is the World Trade Organization to remain alive and sensitive to these social and political trends? It can only be done if the necessary structures and procedures are put in place, if it is open and accessible, and if all the interested parties have an opportunity to make their contribution to the evolution of this organization.

Unless steps are taken now, honourable senators, in years ahead we will hear the same complaint about the World Trade Organization as we now hear about the IMF and the World Bank: that it lacks accountability, transparency and relevance. The purport of this committee report is to alert the government, now, that this is an important issue; to ask it to lay out a strategy so that Canada can take the lead in ensuring that the World Trade Organization becomes a centre for political direction and where political concerns can be heard; and, furthermore, that it include, for example, as we indicate in the report, the opportunity for other constituencies such as labour and human rights to be part of the ministerial delegations so these concerns can be heard and dealt with at the World Trade Organization.

Honourable senators, we are looking ahead. We heard in testimony that Canada, as part of the G-7, must look at its performance; that unless it becomes more active and aggressive, it will not continue to hold the prestige it holds today. We recommend that the government, in preparation for the summit in Halifax, prepare a general strategy on economic institutions so we can take a role of substance in the G-7. Part of that strategy is what we do in terms of the World Trade Organization.

My purpose, honourable senators, is to support the report of the committee, to invite the government to pay attention to what we say, and to invite members of the Senate, in the future, to be vigilant in ensuring that these sound proposals have been respected in the operation of the World Trade Organization.

**Senator Austin:** Honourable senators, I have a few brief remarks which I would begin by congratulating the Standing Senate Committee on Foreign Affairs on its report which, I think, targets a major concern.

The Minister for International Trade, the Honourable Roy MacLaren, told us in committee this morning that he would return — assuming he is still Minister for International Trade — to the committee in a year's time to report on the concerns raised this morning by Senator Gauthier, Senator Grafstein and others in the committee, and which have been fleshed out and made much more specific in the debate this afternoon.

Honourable senators, I would add that I believe the passage of this bill will help diversify Canada's exports to many more countries. I believe it will be of great advantage to Canada in establishing a framework of rules that will be based upon objective criteria, almost trade law. In fact, over time, while I agree with ministerial and political responsibility, it is necessary to allow the WTO as an institution to evolve with respect to its dispute settlement mechanisms, an objective set of criteria, and credibility in the settlement of issues.

There is much left to do, honourable senators, on issues of specific concern to Canada. However, that is a stage along the road. The government will have a platform on which it can proceed to concern itself with issues such as steel and sugar in dealing with the United States, and in dealing with many other issues of international concern.

Honourable senators, I commend the Senate to approve this bill.

**The Hon. the Speaker:** Honourable senators, it was moved by the Honourable Senator Austin, seconded by the Honourable Senator Stanbury, that this bill be read the third time.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

[*Translation*]

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

RIDEAU HALL

December 15, 1994

Mr. Speaker,

I have the honour to inform you that The Right Honourable Ramon John Hnatyshyn, Governor General of Canada, will proceed to the Senate Chamber today, the 15th day of December 1994, at 16:30, for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. LaRocque
*Secretary to the Governor General*

The Honourable
The Speaker of the Senate
Ottawa

[*English*]

## FUTURE OF AGRICULTURE IN CANADA

REPORT OF AGRICULTURE AND FORESTRY COMMITTEE REQUESTING AUTHORITY TO TRAVEL ADOPTED

The Senate proceeded to consideration of the fifth report of the Standing Senate Committee on Agriculture and Forestry (budget—study on the future of agriculture in Canada).

**Hon. Dan Hays:** Honourable senators, yesterday, during a discussion, I undertook to confirm for Senator Lynch-Staunton that the total amount budgeted for the shared compensations with the House of Commons — assuming the study with the House of Commons proceeds — did not exceed, by my calculation, $22,270. Senator Lynch-Staunton wished to ensure that no other parts of the budget or no amount in excess of that would be spent for those purposes.

• (1610)

Senator Lynch-Staunton, the best way I can satisfy you on that is to undertake, to you and to this chamber, to monitor that budget to ensure that no amount in excess of what is provided for in the proposed budget is spent.

**Hon. John Lynch-Staunton (Leader of the Opposition):** I thank Senator Hays for his explanation. It is much appreciated.

**Senator Hays:** Honourable senators, I move the adoption of this report.

Motion agreed to and report adopted.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SENATE ESTIMATES 1995-96—REPORT OF COMMITTEE ADOPTED

On the Order:

Resuming the debate on the consideration of the Thirteenth Report of the Standing Committee on Internal Economy, Budgets and Administration (Senate Estimates for the fiscal year 1995-96), presented in the Senate on December 8, 1994.

**Hon. Eymard G. Corbin:** Honourable senators, I apologize for being distracted but it was for a valid reason. I spoke, more or less, directly to the thirteenth report of the Internal Economy, Budgets and Administration Committee yesterday during Question Period. In fact, I probably bootlegged comments which had nothing to do with the Question Period. In a way, I think I touched upon most of the points I would have wanted to raise by way of a more formal intervention in this matter. Nevertheless, I do want to come back very briefly on one or two of those points.

My main concern has to do with the way in which, what shall I call it, the "boutique" or the "shop" of inter-parliamentary relations has developed within Parliament over a number of years. I myself have been here for 26 years now, since 1968. I have had experience in both houses as well as on a number of inter-parliamentary associations.

In fact at one point I was international vice-president of AIPLF, l'Association internationale des parlementaires de langue française. Quite possibly I would have become president of that international association had it not been for the very tense relations in those days between Quebec and the federal government over, again, the issue of separation. As you can suspect, Quebec was very active on that front and there is no way they could have supported and underlined, anyhow, the possibility of my becoming an international vice-president, as remote as that would have been. Nevertheless, that factor was there.

I have had some experience at all levels, including organizations of international meetings here in Ottawa, as well as participating on some of the smaller, strictly bilateral inter-parliamentary associations such as Canada-France. I participated on the IPU, et cetera.

The amazing thing about inter-parliamentary relations is that it has evolved. It seems to have evolved in the anterooms of Parliament, not so much on the floor of the houses.

This is again a very good example of what happens. There is under way a so-called major reform of the way we do business within the confines of the current structures of the inter-parliamentary exchanges "shop." Those structures filter through us, through the thirteenth report of the Standing Committee on Internal Economy, Budgets and Administration.

Of course, you do not see in that report any mention of any inter-parliamentary exchanges. You have to, first of all, identify the proper item which takes you to a subheading, and so on. You then realize there is such a thing as an inter-parliamentary organization whose function was to coordinate the numerous activities and exchanges between parliamentarians within the associations.

I wish to speak to the important point of who should set the general policy for the way in which these associations are administered. You have to realize that, having examined everything, the House of Commons runs the show. The traditional policy has been that the Senate contributes 30 per cent of its budget and the House of Commons pays the rest, so it is normal that they should have the final say in everything. The current reform being proposed is that half of the recognized inter-parliamentary associations will be administered by the Senate and half administered by the House of Commons; nonetheless, the policy-making body will be — and I stand corrected — controlled, by force of sheer numbers, by the House of Commons.

I do not think that is acceptable for a number of reasons. I want to save some thunder for another speech when this matter again comes before the Senate, as was suggested by Senator Di Nino yesterday: that we debate this issue by way of an inquiry or some other instrument under the rules to give it a proper airing.

From my most recent experience on inter-parliamentary exchanges, I have come to the conclusion that we could do better. We could have better exchanges. We could have more frequent and more productive exchanges. That would be not only to the benefit of us as Canadians but also to the benefit of those with whom we meet, whether we meet on their turf or they come here to Canada to debate with us. The press has, on a number of occasions, decried these exchanges as junkets. I think it is basically unfair, in view of the larger objective that is sought under the umbrella of these exchanges.

Something positive always comes out of the exchanges. I have said before and, without belabouring the point, I repeat, it is good for Canadian parliamentarians to travel abroad, to meet legislators from other jurisdictions, to compare notes, to discuss policy and every other issue with which we should be preoccupied.

The press has tended to minimize the importance of these encounters, and that is regrettable. However, I am taking a side path with respect to the real issue I want to bring before the Senate.

• (1620)

I cannot accept the proposal now before us that the House of Commons would dominate the policy decision-making body with respect to inter-parliamentary exchanges. Half of the representatives on that body should be from this institution and half from the other side, in the name of the independence of both houses. If it is fact, and I do not know whether it is, that we participate in these associations on "invitation" from the House of Commons, that is another matter. I will decide whether I want to be a member on that basis.

However, I do not think that that is the spirit or the intention. All I am seeking is equality of representation. We do not have that, and I think we should strive for it. If we cannot obtain that parity with the House of Commons in terms of deciding on policy, then let us forget about it and set up our own inter-parliamentary associations.

I am not saying that we should not join with the House of Commons on associations such as the CPA, the AIPLF or the IPU, but I think we would gain very much by having separate associations which would deal from upper house to upper house. We should have an association which deals directly with the French Senate. I do not know if the British Lords are interested, but I think there would be tremendous benefit in having a bilateral exchange between the upper houses, and with other institutions as well, in order that we can talk shop about those matters which really interest us.

That is the reason I raised a number of questions the other day. It takes nothing away from the commoners.

**Senator Gigantès:** Except the pleasure of our company.

**Senator Corbin:** Yes, except the pleasure of our company. I would like to be more active. When the House of Commons runs things, it tends to think about its own interests and we are left with the crumbs. I want an association to be really active, not in sightseeing or tourism, but in in-depth seminars on fundamental matters of mutual interest. There is not enough of that taking place, even within the IPU. They are spread so thin and are so global that, although one does get a general education on human rights issues and that sort of thing, when it comes down to the meat and gravy, one is overwhelmed by the sheer number of people attending these affairs.

That is why I favour smaller associations, more compact programs and more frequent reports. I applaud the 50-50 split in terms of administration but it must go that additional step. We must be on an equal footing in determining the general policy of associations.

Honourable senators, I will say nothing more. We ought to adopt the report and return to this matter another day.

**Hon. Allan J. MacEachen:** Honourable senators, I found Senator Corbin's remarks quite stimulating. They led me to agree with him and others who might have suggested that we ought to take a deep look at the international activities of parliamentarians. I am not approaching this in any negative way, but we in Canada are in a period in which we must use all the resources at our disposal in the most effective way in the advancement of Canada's interests. I believe the fundamental question is: How can these parliamentary exchanges be used to advance Canada's interests and to project Canada's values? That is the real test.

In my view, the Parliament of Canada is one of the great underutilized resources in the advancement of Canadian interests abroad. One example was forcibly brought to our attention in the hearings we recently had on Canada's foreign policy. We were told that the situation has been greatly transformed in the United States, that it is no longer effective or fully useful to go to the executive branch of government in order to advance Canadian interests. That is still done but, increasingly, members of the embassy staff must go to the legislators, the senators and members of the House of Representatives, to advance Canadian interests. They do not go to the White House. The locus has changed.

Mr. Allan Gotlieb said in his testimony before the committee that there have been deep changes in the way in which the U.S. system operates. They have a decentralized power situation in Congress where the committee chairmen and subcommittee chairmen are the true exercisers of executive power.

What is the Canadian Parliament doing to take advantage of the natural affinity between legislators to advance Canadian interests? We are holding an annual event through the Canada-U.S. Parliamentary Union which is just a dim shadow of what would be possible if we paid more attention and used Canadian parliamentarians in the advancement of Canadian interests.

That is one aspect which we must consider more carefully. We must try to reform ourselves to be more effective, more forceful and more useful to Canada in Washington, where there is a natural place for us to work and achieve results.

Motion agreed to and report adopted.

## ADJOURNMENT

Leave having been given to revert to Government Notices of Motion.

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday, February 14, 1995 at two o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## BUSINESS OF THE SENATE

**Hon. William J. Petten (Acting Deputy Leader of the Government):** I am sure that all honourable senators are well aware that we are subject to recall at any time.

I should like to remind all honourable senators that the Governor General will be installed on February 8, 1995 at 10:30 in the forenoon.

While I am on my feet, I would like to second the remarks of Senator DeWare. I, too, should like to wish our staff, our colleagues and their families all the best for the coming season and a happy and prosperous 1995.

The Senate adjourned during pleasure.

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[*Translation*]

• (1630)

## ROYAL ASSENT

His Excellency the Governor General having come and being seated on the Throne, and the House of Commons having been summoned, and being come with their Speaker, His Excellency the Governor General was pleased to give Royal Assent to the following bills:

> An Act to provide for the security of marine transportation *(Bill C-38, Chapter 40, 1994)*
>
> An Act to establish the Department of Natural Resources and to amend related Acts *(Bill C-48, Chapter 41, 1994)*
>
> An Act respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land *(Bill C-36, Chapter 42, 1994)*
>
> An Act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory and to amend other Acts in relation thereto *(Bill C-55, Chapter 43, 1994)*
>
> An Act to amend the Criminal Code and other Acts (miscellaneous matters) *(Bill C-42, Chapter 44, 1994)*
>
> An Act to amend the Canada Grain Act and respecting certain regulations made pursuant to that Act *(Bill C-51, Chapter 45, 1994)*
>
> An Act to amend the Canadian Environmental Assessment Act *(Bill C-56, Chapter 46, 1994)*
>
> An Act to implement the Agreement Establishing the World Trade Organization *(Bill C-57, Chapter 47, 1994)*

The Honourable Gilbert Parent, Speaker of the House of Commons, then addressed His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1995 *(Bill C-63, Chapter 48, 1994)*

To which bill I humbly request Your Honour's assent.

His Excellency the Governor General was pleased to give Royal Assent to the said bill.

[*English*]

The Honourable Gilbert Parent, Speaker of the House of Commons, then addressed His Excellency the Governor General as follows:

May it please Your Excellency,

I realize that this is not in keeping with protocol but, since this is the last occasion we will appear before you, on behalf of my colleagues in the House of Commons I should like to thank you for serving Canada so well over the last six years.

**Hon. Senators:** Hear, hear!

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

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The sitting of the Senate was resumed.

## CHRISTMAS GREETINGS

**The Hon. the Speaker:** Honourable senators, before I read the adjournment motion, I wish to thank all of you for your cooperation and understanding, and wish all of you a very Merry Christmas and a Happy New Year.

To our staff in the Senate, our thanks for all their work in the past year, and to all of them and their families, a very Merry Christmas and a Happy New Year.

Of course, you are all invited, honourable senators, to the reception in the Speaker's chambers when we adjourn. I would extend my invitation to the pages on this occasion.

The Senate adjourned until Tuesday, February 14, 1995, at 2 p.m..

# THE SENATE

**Tuesday, February 14, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## THE HONOURABLE B. ALASDAIR GRAHAM

TRIBUTE ON APPOINTMENT AS
DEPUTY LEADER OF THE GOVERNMENT

**The Hon. the Speaker:** Before we proceed to the business of the day, I should like to welcome all honourable senators back.

[*Translation*]

To you, ladies, I wish you a very happy Saint Valentine's Day.

[*English*]

I should like to pay my compliments to my colleague Senator Graham who has replaced me in the role of Deputy Leader of the Government.

**Hon. Senators:** Hear, hear!

## THE GOVERNOR GENERAL

ADDRESSES AT INSTALLATION PRINTED AS APPENDIX

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I move:

> That the Address of the Prime Minister of Canada, the Right Honourable Jean Chrétien, P.C., at the Installation of the Right Honourable Roméo LeBlanc, P.C., as Governor General of Canada on February 8, 1995, together with the reply of His Excellency the Governor General thereto, be printed as an Appendix to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent records of this house.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

*(For text of addresses, see today's* Minutes of Proceedings of the Senate, *Appendix p. 719.)*

## REVIEWING CANADA'S FOREIGN POLICY

GOVERNMENT RESPONSE TO RECOMMENDATIONS
OF SPECIAL JOINT COMMITTEE TABLED

On Tabling of Documents:

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have the honour to table the government response to the recommendations of the Special Joint Committee on Reviewing Canada's Foreign Policy.

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# SENATORS' STATEMENTS.

## BLACK HISTORY MONTH

**Hon. Donald H. Oliver:** Honourable senators, it gives me great pleasure to rise today to call the attention of senators to two closely related matters. February is set aside as Black History Month in Canada and the United States. As well, 1995 has been designated the United Nations Year of Tolerance. Both deal with the treatment of minorities. Both are designed to call attention to the struggles of minorities for equality.

As one of the first Canadian-born blacks appointed to this chamber, I take great pride in claiming as one of the constituencies I represent in this place the black population of Canada and, in particular, the black population of Nova Scotia, the province in which I was born and brought up.

The purpose of designating February as Black History Month is to recognize, learn, celebrate and honour the accomplishments of black people. The concept of setting aside a specific part of each year to look at the history and accomplishments of black people had its origins in 1926 in the United States as "Negro History Week" which was proposed by Carter G. Woodson, a black educator and publisher who lived in New Canton, Virginia. He felt that the mainstream history texts in the schools of the United States virtually ignored the positive accomplishments of black people. In his view, the only way to celebrate this rich culture was to move outside the normal curriculum and establish special events to call attention to the history of black people in the United States.

I am of the same belief as Carter Woodson. There is in Canada this same pattern of omission to mention the achievements of the contributions of people of African decent born and living in Canada.

A knowledge of one's history is critical when looking to the future. As a people, blacks must know where they have been, what they have been and how much they have accomplished, so that they may proceed into the future seeking justice and equality — seeking an end to racism and discrimination.

How many honourable senators know that in 1608 in the French settlement of Acadia, Nova Scotia, Governor De Monts had a black man, Matthew Da Costa, as his navigator and translator?

In Canada, in 1995, it seems more important than ever to recognize the achievements of many minorities, especially black Canadians. Criticisms levelled against multiculturalism, along with cruel racist remarks and actions recently reported on our television sets, leave me gravely concerned as to the future of programs designed to bring equality to black people.

Most have seen the photographs of the dead 16-year-old Somali, Shidane Arone, taken with Master Corporal Clayton Matchee, as well as the two recently released — and there is now a third — home videos. The first video released gave graphic evidence of the feelings of certain members of the Canadian Airborne Regiment in Somalia towards Somali people. "We ain't killed enough niggers yet," is not a phrase that I would have thought would ever be heard from a Canadian soldier. The video of the initiation rite at Camp Petawawa with the same regiment depicts a black soldier being led around on a leash with, "I love the Ku Klux Klan," spelled out in excrement smeared over his back.

• (1410)

This is one of the many reasons why it is important that we recognize and celebrate Black History Month in this United Nations Year of Tolerance. As UNESCO's Director General stated on December 29, 1994:

> From now on, in the conscience and behaviour of each of us, tolerance should assume its strongest significance: not simply the acceptance of others with their differences, but a spontaneous movement towards others, to know them better and to know ourselves better through them, to share with them, to extend to them the hand of fellowship and compassion, so that universal values, common to all, are enriched by the previous individuality of every culture and every language, and by the irreplaceable creativity of every person.

I have previously called on the Senate leadership to establish a Standing Committee on Human Rights. I believe that Black History Month 1995 in the UN Year of Tolerance would be an appropriate time in which to establish this committee.

## NATIONAL FLAG OF CANADA

### THIRTIETH ANNIVERSARY OF DESIGNATION AS NATIONAL EMBLEM

**Hon. M. Lorne Bonnell:** Honourable senators, welcome back. On a slightly different note, let me say that this is a very important day in the history of Canada. Thirty years ago today, we inaugurated our new Canadian flag. It is a wonderful thing to remember that, as Canadians, we are united under one flag. I think we ought to celebrate that date.

Today is also the fiftieth anniversary of the end of the Second World War, which was also a great day.



## CRIMINAL CODE

### AMENDMENTS TO SENTENCING PROVISIONS

**Hon. Raymond J. Perrault:** In recent months there has been increasing concern among the public in all parts of Canada with respect to the offences committed by both young offenders and adult criminals while on periods of probation, or during periods of mandatory release. Some of the cases have been utterly gruesome, and we have read about them in our newspapers. There is also an increasing concern in regard to the commission of offences by persons recently released from prison. This is an ongoing problem in Canadian society, and one many of us believe requires parliamentary review, with a view to making further amendments to the Criminal Code in order to provide the courts with additional tools for dealing with repeat offenders.

A good example of this situation concerns a young woman in the province of British Columbia who appears to have been sexually assaulted and subsequently murdered by a person who had been sentenced to 10 years in prison for sexual assault. In passing sentence on this matter, the Honourable Mr. Justice Ross Culver commented that the accused was a "walking time bomb," and that he wished that there was more he could do to protect society. At that time, the accused could be sentenced only to a 10-year period of incarceration. A psychiatric report concerning the background of the accused indicated that clearly he would present a long-term danger to the public.

During his period of incarceration, the accused refused any treatment and was not given parole. However, on his mandatory release date, this "walking time bomb" was released into the community with no further supervision. We all know of the horrible events that transpired. The tragedy that resulted in Surrey may have been the inevitable result of these actions.

The subsequent disappearance of young children such as British Columbia's Mindy Tran and so many others in British Columbia and throughout Canada is causing increasing alarm in our communities. We need to enforce the dangerous offenders provision of the Criminal Code. However, that provision can only be used in extremely limited circumstances. Perhaps it is time to look at amending the Criminal Code in order to provide for long-term, mandatory sentences for certain types of offenders such as child molesters and any type of violent sexual offender.

This may also be true with respect to making changes to the Young Offenders Act. Some changes have already been made. What seems to generally upset and outrage the public is the prospect of a young offender committing a murder at 17 and being released, scot free, into the community at the age of 22. Perhaps provisions should be made that require ongoing supervision of that young offender well into his adult life. An example of one solution is the concept of determinate and indeterminate sentencing.

An overall review of the whole question of sentencing may also reveal some of the shortfalls of the federal and provincial correctional services. One of the ongoing frustrations for counsel in criminal courts — and they write and tell me of their frustrations, as they do you — is to see the inadequacy of the facilities that exist to deal with potential violent offenders, spousal abusers, and sexual offenders.

It is high time we took a very hard look at whether or not our correctional system is meeting the needs of the public. The courts need to be given additional tools that would allow them to effectively deal with offenders. The Criminal Code makes absolutely no provision for electronic monitoring and other techniques which are currently being used on an ad hoc basis in each province to deal with certain types of offenders. It is high time that the Criminal Code was brought into the nineties, and gave very strict guidelines for dealing with the real world where the sentencing and the handling of criminal offenders is carried out.

If there is anything that can be done to avoid a repetition of the tragedies that have taken place in this country in recent months, and have occurred elsewhere from coast to coast with dangerous offenders being released into the community, it is the duty of those who serve in Parliament to look into these matters and ensure that something is done quickly.

**Hon. Senators:** Hear, hear!

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# ROUTINE PROCEEDINGS

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SEVENTEENTH REPORT OF COMMITTEE PRESENTED

**Hon. Earl A. Hastings,** Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Tuesday, February 14, 1995

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

SEVENTEENTH REPORT

Your Committee has examined a proposal from the Board of Internal Economy of the House of Commons with respect to greater Senate involvement in the administration of Parliamentary Associations.

Your Committee recommends that:

1) a Joint Inter-Parliamentary Council, to be composed of two (2) senators representing the Standing Committee on Internal Economy, Budgets and Administration and five (5) members of the House of Commons, be established to deal with all matters relating to Parliamentary Associations;

2) as of April 1, 1995, the Senate assume full administrative responsibility and staffing for four Parliamentary Associations (Inter-Parliamentary Union, North Atlantic Treaty Organization/North Atlantic Assembly, Canada-Europe and Canada-France), while the House of Commons will continue to staff and service the Commonwealth Parliamentary Association, the International Assembly of French-Speaking Parliamentarians, Canada-U.S. and Canada-Japan;

3) delegates travel economy class using the least expensive fare, with APEX or excursion fares being used whenever possible; and

4) there be no subsidization of spousal participation in parliamentary delegations travelling outside Canada except by approval of the Standing Committee on Internal Economy, Budgets and Administration and the Board of Internal Economy of the House of Commons in circumstances dictated by strict protocol considerations.

Your Committee further recommends that, pursuant to rule 86(1)(*f*)(*i*), the Standing Committee on Privileges, Standing Rules and Orders consider proposing a rule concerning reports to the Senate by returning inter-parliamentary delegations.

Respectfully submitted,

EARL A. HASTINGS
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Hastings, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## DEPARTMENT OF INDUSTRY BILL

REPORT OF COMMITTEE

**Hon. John Sylvain,** Deputy Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Tuesday, February 14, 1995

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

FOURTEENTH REPORT

Your Committee, to which was referred Bill C-46, An Act to establish the Department of Industry and to amend and repeal certain other Acts, has examined the said Bill in obedience to its Order of Reference dated Tuesday, December 13, 1994, and now reports the same without amendment.

Respectfully submitted,

JOHN SYLVAIN
*Deputy Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Sylvain, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

• (1420)

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, February 15, 1995 at 1:30 p.m.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## DEPARTMENT OF CANADIAN HERITAGE BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-53, to establish the Department of Canadian Heritage and to amend and repeal certain other Acts.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on the Orders of the Day for second reading on Thursday next, February 16, 1995.

## IMMIGRATION ACT
## CITIZENSHIP ACT
## CUSTOMS ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-44, to amend the Immigration Act and the Citizenship Act and to make a consequential amendment to the Customs Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on the Orders of the Day for second reading on Thursday next, February 16, 1995.

## DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-47, to amend the Department of External Affairs Act and to make related amendments to other Acts.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on the Orders of the Day for second reading on Thursday next, February 16, 1995.

## CANADA-JAPAN INTER-PARLIAMENTARY GROUP

REPORT OF THIRD ANNUAL MEETING OF ASIA-PACIFIC PARLIAMENTARY FORUM TABLED

**Hon. Dan Hays:** Honourable senators, I have the honour to table the report of the Canada-Japan Inter-Parliamentary Group, respecting its participation at the Third Annual Meeting of the Asia-Pacific Parliamentary Forum, held in Acapulco, Mexico, from January 13 to 14, 1995.

The Asia-Pacific Parliamentary Forum, which was inaugurated January 1993, is quickly becoming an important voice in dealing with political and security matters, cooperative economic arrangements and other key regional issues. At the same time, the Asia-Pacific region is becoming increasingly significant in the achievement of Canada's goals in trade and technology acquisition, in job creation, in sustaining a sound global environment and in managing the demographics of immigration.

Honourable senators, in 1997, Canada will host the heads of government and the ministerial meetings of the Asia-Pacific Economic Council. The government is considering that 1997 be declared the Year of Asia-Pacific in Canada. I am pleased to add that Canada has also been asked to host the fifth meeting of the Asia-Pacific Parliamentary Forum in 1997.

## CANADIAN WHEAT BOARD

PRESENTATION OF PETITIONS

**Hon. R. James Balfour:** Honourable Senators, I have the honour to present a petition, signed by certain citizens of Canada. The petitioners voice their support for the Canadian Wheat Board and request that Parliament continue to give the Canadian Wheat Board monopoly powers in marketing wheat and barley for export.

## HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES—
PRESENTATION OF PETITION

**Hon. Stanley Haidasz:** Honourable senators, I am pleased again to place in the hands of the Clerk a petition expressing the plea identical to the one I read in the Senate chamber on March 17 last. The petitioners pray that the Senate and Parliament assembled protect health care workers in regard to their freedom of conscience in the workplace. These petitions contain the signatures of 998 persons from various places throughout Canada.

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# QUESTION PERIOD

## REGIONAL DEVELOPMENT

APPLICATION OF SIMILAR RULES IN ALL PROVINCES—
GOVERNMENT POSITION

**Hon. Brenda M. Robertson:** Honourable senators, my question is for the Leader of the Government in the Senate. In early December I asked a question of the leader regarding the application of regional development dollars across Canada. At that time, I mentioned that I was in favour of repayable assistance in Atlantic Canada, the same as the policy that is applied in Western Canada. My question related to FEDNOR.

The answer I received indicates that FORD-Q in Quebec operates on repayable loans, but that with FEDNOR there seems to be a difference. As I understand it, contributions over $100,000 are repayable and those under $100,000 are evaluated on a case-by-case basis, focusing on the business details of each client application. Also, the answer indicates that the policy is under review, with further refinements anticipated for the next fiscal year.

Would the Leader of the Government inform the Senate whether a decision has been made to apply government funds in Ontario in the same manner as they are applied in the rest of the country?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would like to review that answer with the minister involved for further clarification.

## CANADA-UNITED STATES RELATIONS

PROPOSED IMPOSITION OF U.S. BORDER-CROSSING
TAX—GOVERNMENT POSITION

**Hon. Brenda M. Robertson:** Honourable senators, I have another question for the Leader of the Government. As she is probably aware, there has been a lot of speculation in the press regarding the possibility or probability — I am not sure which — of a detrimental policy taken up by the U.S. President and the U.S. Congress regarding a border-crossing tax.

Now, in my small province of New Brunswick, and it is true of other provinces as well, thousands of people live on the border, and many of them work on the American side and cross daily. Their families and relatives live on both sides of the border. For example, people on Campobello Island who want to come to mainland New Brunswick will be forced to pay for two border crossings in one day if they come over and go back the same day.

Would the leader enlighten the Senate on that intention proposed by the President before Congress? Also, will this issue be raised by the Prime Minister during President Clinton's visit next week?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as you well know, the news of this particular proposal received a very negative response in all areas on the Canadian side. I believe there has been some movement on this issue, and I will try to get the most recent update on the issue for the honourable senator, perhaps by tomorrow.

• (1430)

Certainly there has been the hope that this kind of development could be resolved and clarified in some way prior to the visit of President Clinton to Canada next week.

## HUMAN RESOURCES DEVELOPMENT

REPORTED ILLITERACY RATE IN CANADA—
GOVERNMENT POSITION

**Hon. Noël A. Kinsella:** Honourable senators, my question is directed to the Leader of the Government in the Senate. The minister, no doubt, is aware that the Standing Committee on Human Resources and Development in the other place recently tabled its report entitled, "Security Opportunities and Fairness: Canadians Reviewing Their Social Programs." At page 81, that report speaks to the minister's own portfolio interest, namely literacy, and states that in many regions of the country the rate of illiteracy is unacceptably high.

As the minister of the government responsible for literacy, do you agree with that statement?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I agree with the statement that, in some parts of our country, illiteracy levels or the lack of functional literacy is unacceptably high. For a country as developed and as caring as Canada, we have an illiteracy level that is unacceptably high.

The honourable senator will know that, in most recent years, Statistics Canada has provided a basis of statistics which have outlined the levels of people suffering from basic illiteracy, and then slightly above that, a huge chunk of people who are unable to cope with everyday situations without a great deal of support and effort. Statistics Canada has placed those levels at a total of 38 per cent of our adult Canadian population.

As I have said many times, and probably also in this house, we cannot be on the cutting edge of the new century and new technology if we have that many millions of Canadians who are, at this point in time, unable to participate fully and to contribute in some meaningful way to our country's future.

Perhaps that is one of the reasons the Prime Minister has put an emphasis on this issue. It is an issue with which I have been engaged for over a decade, more particularly within the last year, and with the very welcome support and encouragement, I must say, of colleagues on both sides of this house and, I hope, of an increasing number of members in the other house.

**Senator Kinsella:** Honourable senators, I thank the minister for that encouraging response.

The minister touches on a problem which many of us have in attempting to understand the magnitude of illiteracy in Canada. In terms of the definition of "literacy," could the minister responsible for literacy explain to the house how that department is now defining the literacy base? What is the criteria? What is the baseline?

**Senator Fairbairn:** As Senator Kinsella knows, the definition of literacy is an imprecise one, and a movable one as situations change in our country. There is a fundamental line, I suppose, for which we are looking, other than simply not being able to read and write, and there is clearly a small core of those people. However, we are also talking about people who do not have sufficient skills in reading and writing to do routine daily tasks which you and I would take for granted, and you will find that there are 22 per cent of adult Canadians in that category.

During this whole process of consultation on social security reform, we have talked, for instance, about areas in this country where training and retraining is a major problem. Because of such examples as our experience in Atlantic Canada and the loss there of a fundamental industry, the fishery, we are also talking about how we can use new methods of teaching. Can we use computers which themselves address a literacy component? Can we use different methods of bringing people from those areas into training situations where they can learn new occupations which have, unfortunately, not been open to them in the past? It is fundamental that we are able to do these things.

I cannot answer your question precisely because there is no precise answer. If you look at yet another level of employment in this country, you will find a literacy component there that is strongly technological. I am one who does not have sufficient skills in that area. Basically we are looking for people to learn new ways or upgraded ways of earning a living particularly, but also, as you would accept, new qualities of life. We want to enable them to participate in reading and writing, not just for work but for the enjoyment of living.

[*Translation*]

**Hon. Thérèse Lavoie-Roux:** Honourable senators, my question is directed to the Leader of the Government and reflects similar concerns. I am referring to the whole issue of literacy in this country. As you know, in the Speech from the Throne the Prime Minister renewed a commitment made during the election campaign to restore funding for the National Literacy Secretariat to its original level.

I will not repeat the statistics which have already appeared in the report to which Senator Kinsella and, I believe, the minister referred. It is estimated that three million Canadians hardly know how to read and write, and that four million are unable to read an average text. Today, about a year and half since this government was elected, could the minister tell us specifically the kind of programs that have been put in place?

We just heard an interesting discussion about literacy levels and finding out the extent of the problem. But specifically, first of all, has funding been restored for the National Literacy Secretariat and second, what specific programs have been put in place to remedy the situation, and what kind of evaluation procedures have been implemented to evaluate the results of such programs?

[*English*]

**Senator Fairbairn:** Honourable senators, I would ask you to indulge me again for a few minutes in order to answer Senator Lavoie-Roux's question.

First of all, funding was restored to the National Literacy Secretariat. As my honourable friend knows, the secretariat enters into agreements in relation to that funding. In other words, the secretariat levers that funding with the provinces because the federal government, of course, cannot deliver services in literacy on the ground throughout Canada, nor should we, because we are too far from the ground in many respects to be able to know what are the most appropriate programs and projects that should be funded. In these agreements with the provinces, the secretariat has been enormously successful over the last almost six years since the former government brought in the program.

• (1440)

In the course of working with the provinces in forming and approving the types of projects on which this money will be spent, the secretariat also puts in place a procedure for annual assessments as to the viability of the efforts, as to whether they should continue and, if necessary, as to how they may be changed. Thus, there is an assessment at both levels.

In terms of the tangibles and how one can alter these statistics, I can tell Senator Lavoie-Roux that it is darned hard to influence them in any visible way. However, I could have the secretariat provide to my honourable friend a list of the projects and programs that are in place, especially those dealing with how to teach and to draw distinctions between people who have different levels of need. In the past year, it has been proven that for a certain level, one of the ways this can be done with great success is by focusing on family-oriented literacy, for example, involving single mothers in learning with their children.

In a tangible sense, we also have added to the responsibilities of the secretariat a literacy program involving the Atlantic groundfish strategy. This program will be available in

communities to help to increase training and basic education levels. Such a program enables people to go on to further training. These programs have been negotiated with the provinces and are now in train.

Honourable senators, I would be more than happy to have someone from the literacy secretariat speak to the honourable senator about the specifics of the limited amount of money that is spent throughout Canada, and the degree to which those funds are enhanced because of the cooperation of the provinces, national groups, local advocates and operatives.

[*Translation*]

**Senator Lavoie-Roux:** I am happy to know that there are assessment measures but, as the minister says, it is not very easy to assess with accuracy the results of the programs put in place. However, I think that measures may be taken in order to assess results a little more seriously.

One of the problems, either in Canada or in the provinces, for other types of programs is that we are relatively generous in implementing the health care or education programs we deem necessary, but our assessments are very weak.

Finally, I think that we may spend a large amount of money on a specific project or cause and realize five, 10 or 15 years later, for example, that the illiteracy rate has gone up instead of down. I wondered if department officials could examine this whole issue in a much more focused way to make sure that we achieve the goals we set.

[*English*]

**Senator Fairbairn:** Honourable senators, as I said, I would be glad to have someone from the literacy secretariat sit down with the Honourable Senator Lavoie-Roux to explore this matter in more detail.

Frankly, because of limited resources, assessments of how these programs are working are important because we do not want to waste resources in areas which are not productive. As the honourable senator will appreciate, we are dealing with people who are outside institutional learning. There are no tests and regulations to say that someone has graduated from one level to another. The results are not that precise. Indeed, the same is true with regard to numbers because this is a highly personal issue and one not easily shared by those who suffer from it.

I wish to emphasize that every effort is being made by the federal and provincial governments, as well as business and labour partnerships that have formed over the past two or three years. A keen eye is kept on whether or not these measures are productive.

I assure my honourable friend that it is not a question of just handing out money for the sake of handing out money. This money is precious. If one were to visit these projects and groups anywhere in Canada, one would see that in the vast majority of cases money is being used carefully. It is being spread as widely as it can be spread.

## NATIONAL DEFENCE

### INQUIRY INTO ACTIVITIES OF CANADIAN AIRBORNE REGIMENT—GOVERNMENT POSITION

**Hon. John Sylvain:** Honourable senators, my question is directed to the Leader of the Government in the Senate. This house is all too familiar with the events involving members of Canada's Armed Forces which transpired several years ago in Somalia. Senator Oliver has just reminded us eloquently of them.

The government's promise for a full inquiry into the whole of this matter was welcomed by all of us. Now, however, events seem to be taking a different twist. What was to have been a full inquiry has been replaced by a trial by video, with a new showing and a new cast of characters each week.

Honourable senators, the Department of National Defence went through a lengthy and, at times, difficult process to bring to justice those responsible for what occurred in Somalia, with the promise of a broader investigation later. Yet, as a result of leaked videotapes, the minister has summarily disbanded a Canadian regiment and fired a top-ranking general without the promised investigation.

Is the planned inquiry into the Canadian Airborne Regiment still on track? When will it take place? If it is to take place, what is its mandate, given that there is no regiment left to investigate?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Sylvain for his question. I concur with him in deploring the unfortunate and troublesome events that have taken place in recent weeks.

As all of us know, in recent days the minister has taken action concerning the Airborne Regiment as a result of information which has come to him. He has affirmed that, indeed, a full public inquiry, headed by a civilian, into the full range of issues will take place following the conclusion of court martial procedures. That is still very much the plan.

As the minister indicated recently, the public inquiry will be broadened to include the actions of officers and the upper echelons of the Defence Department, as well as the issues that caused the inquiry to be initiated in the first place.

These are difficult times, as my honourable friend knows. I can assure him that none of the actions that have been taken in recent days by the minister or the Chief of Defence Staff have been taken lightly.

• (1450)

### DISCIPLINARY PRACTICES IN CANADIAN ARMED FORCES—GOVERNMENT POSITION

**Hon. John Sylvain:** I agree that the minister has acted very quickly. My concern is that he has acted without the inquiry which was supposed to take place in order to inform him.

The release of these hazing videos seems to have been done with some particular motive. I am not sure what the motive is, but it can almost be guaranteed that there will be more available, and a certain publication in Ottawa seems to be quite involved in this business.

Will the Leader of the Government assure this chamber that before the Minister of National Defence fires any more of his staff, he will do the extraordinary thing and issue a level-headed, thoughtful statement as to the actions in the videos? Will he promise that this activity will be the subject of a thorough inquiry, in order that we can be told how the problem jumps from the private ranks to the general ranks? Where were the corporals, staff sergeants, second lieutenants, lieutenants, captains and majors when these events took place? How is discipline administered in the Armed Forces these days?

**Hon. Joyce Fairbairn (Leader of the Government):** Senator Sylvain, I will be more than happy to send your questions to the minister as very valid questions which need to be answered.

Honourable senators, whatever the motivation is, it has obviously caused considerable turmoil in recent weeks. I have no idea whether there will be more. The Chief of Defence Staff has convened a meeting for Thursday of this week of his commanders, his chief warrant officers and their chiefs of staff, and the personnel involved in all of these areas, in order to review the situation. These people will come from all across Canada, and from all areas of the Armed Forces to review with defence headquarters in Ottawa all forms of initiation practices within the Canadian Forces, with a view to putting forward clear regulations of what is deemed unacceptable in the Canadian Armed Forces at any level.

## HUMAN RESOURCES DEVELOPMENT

### VIOLENCE AGAINST WOMEN— IMPORTANCE OF LITERACY—GOVERNMENT POSITION

**Hon. Erminie J. Cohen:** Honourable senators, my question has to do with literacy and women. In this government's Speech from the Throne, programs were discussed aimed at enhancing the lives of women, including measures to combat the high level of violence against women and children, with a centre of excellence for women's health to be established to ensure that health issues receive the attention they deserve, and the creation and expansion of prenatal nutrition programs for low-income pregnant women.

These are all very fine promises, honourable senators, but they will be all for naught if a key ingredient is missing — literacy. It is well documented that women with poor literacy skills are less able to use their initiative to protect their environment and keep their children healthy. They marry younger and are less likely to use family planning. They may even lack the self-confidence necessary to take the initial step and seek help from any one of these services.

It has often been said that educating women is the single most important step governments can take to improve the health of their citizens and their economies. Educated women are more productive, more competent, marry later, use family planning, and have healthy children.

Will the minister tell us her plans for improving literacy as it relates to women, given that all the enunciated programs for women promised in the Speech from the Throne cannot really be effective without proper literacy levels?

**Hon. Joyce Fairbairn (Leader of the Government):** I cannot help but thoroughly applaud Senator Cohen's question and the statements surrounding it. I would like to applaud her, because she has articulated beautifully, and sadly, one of the absolute core issues which surrounds the problem of literacy levels in this country.

In my response to Senator Lavoie-Roux, I referred to the fact that one of the shifts in direction which has taken place in the last year and a half — but especially within the last year — is with respect to family literacy. It has come from the grassroots level. There has been no "Now hear this" from anyone in Ottawa, or from anyone in the provinces.

In the past year, a lot of resources have focused on getting into the communities, and in getting programs and projects together that will focus mainly on women, which is who we are referring to most often when we talk of single parents. We are also trying to get much closer to young women before they reach that stage.

In the past year I attended a national family literacy conference here in Ottawa. A group of young mothers from the Maritimes got on a train and brought their children here. I think Senator Cohen attended as well. This exercise showed us all what these types of programs can do, not only in terms of teaching children but in terms of children motivating parents to learn.

Those are the kinds of programs on which much emphasis has been placed, and will continue to be placed in the future.

**The Hon. the Speaker:** The time period for questions has expired, but I will accept a last question from Senator Nolin.

[*Translation*]

## PUBLIC WORKS

### DECISION OF MINISTER TO BUILD NEW FEDERAL BUILDING IN SAULT STE. MARIE—REQUEST FOR DETAILS OF CONTRACT

**Hon. Pierre Claude Nolin:** Thank you, Your Honour. This will be a very short question. It is directed to the Leader of the Government in the Senate. Madam Minister, last fall, the Minister of Public Works cancelled a contract for renovating the windows at the Lester B. Pearson Building, the headquarters of the Department of Foreign Affairs. The contract was cancelled. The minister said the contract made no sense at all. This was a contract for two and half million dollars.

Yesterday, the same minister defended a decision by his government and his department, according to which in Sault Ste. Marie, in the riding of the Minister of Indian Affairs, instead of using office buildings where 18 to 20 per cent of the space was vacant, his department decided to proceed with the construction of a new building at a cost of $12 million.

Considering the spending cuts being announced by the Minister of Finance in your government, cuts that we support wholeheartedly, how does your government account for this decision by the Minister of Public Works?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** I thank Senator Nolin for his question.

I will preface my response, honourable senators, by saying that the Minister of Public Works, as Senator Nolin knows, is quite a tough nut. I would expect that he has a very solid rationale for the activity that has taken place in Sault Ste. Marie. I will seek an answer to my friend's question which I am sure will satisfy him.

[*Translation*]

**Senator Nolin:** Your Honour, I have a supplementary question to follow up on the minister's answer. The Minister of Public Works did, in fact, give us an answer yesterday, during Question Period, because his officials indicated that it was preferable to spend these $12 million because, supposedly, we would save $500,000 a year for the next 25 years by borrowing those $12 million. He admitted, after Question Period, that his officials' figures seemed somewhat suspicious.

Since yesterday, Madam Minister, have you been informed of anything further that might shed some light on this?

[*English*]

• (1500)

**Senator Fairbairn:** Honourable senators, I must confess that I have not done so, but that does not mean it is not there to be heard. I will contact my colleague Mr. Dingwall and see if I can get an update for the honourable senator.

**Hon. Consiglio Di Nino:** Honourable senators, may I ask a brief supplementary?

**The Hon. the Speaker:** The time for Question Period has expired. Is it agreed that the honourable senator may ask his supplementary question?

**Hon. Senators:** Agreed.

**Senator Di Nino:** Honourable senators, when the minister is asking for information regarding that contract, could she also ask for the details of the contract, that is, the total value of the contract, how much of it was for material and labour, how much of it would have been for consultation and/or commissions, how much of the work had been done, together with whether the material was purchased, and, if so, where that material would be now? In other words, I would like the details of the contract, please.

**Senator Fairbairn:** I assume the honourable senator would like "the works," and I will try to the best of my ability to get everything.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have several responses to oral questions, 11 in number: A response to a question raised in the Senate on November 15, 1994 by the Honourable Senator Pat Carney regarding Canadian pilots and clearance procedures at Mirabel airport; a response to a question raised in the Senate on November 17, 1994 by the Honourable Senator Leonard J. Gustafson regarding the Crow Rate, direct payment to farmers; a response to a question raised in the Senate on November 24, 1994 by the Honourable Senator Duncan J. Jessiman regarding the parole supervision of high-risk offenders; a response to a question raised in the Senate on December 1, 1994 by the Honourable Senator Pat Carney regarding destaffing of lightstations in British Columbia, environmental impact assessment; a response to a question raised in the Senate on December 1, 1994 by the Honourable Senator Leonard J. Gustafson regarding western grain transportation and the backhaul to Thunder Bay; a response to a question raised in the Senate on December 6, 1994 by the Honourable Senator Mira Spivak regarding the amount of export tax paid by tobacco manufacturers; a response to a question raised in the Senate on December 8, 1994 by the Honourable Senator Eymard G. Corbin regarding the Atlantic Canada Opportunities Agency; a response to a question raised in the Senate on December 8, 1994, by the Honourable Senator Consiglio Di Nino regarding the sale of arms to Thailand; a response to a question raised in the Senate on December 12, 1994 by the Honourable Senator J. Michael Forrestall regarding the replacement of Sea King and Labrador helicopter fleets; a response to questions raised in the Senate on December 13, 1994 by the Honourable Senator Brenda M. Robertson regarding the substitution of loans for subsidies and the application of similar rules in all provinces; and a response to questions raised in the Senate on December 14, 1994, by Senator Forrestall regarding the destaffing of lighthouses.

## CUSTOMS

### CANADIAN PILOTS— CLEARANCE PROCEDURES AT MIRABEL AIRPORT

(*Response to question raised by Hon. Pat Carney on November 15, 1994*)

On occasion, some of the crew members on domestic flights operating into Mirabel choose to enter the air terminal building through the Customs area for a variety of reasons. They have indicated that it is easier for them to access their base operations, pick up their vehicles, and that it is a shorter route for them to travel to their intended destination within the airport property.

In an effort to expedite their movement through the terminal building, Revenue Canada has accommodated this type of activity at the request of the air carriers. Crew members choosing to do this are not examined by Customs, but are provided with an E311, Traveller Declaration Card notated *Domestic Crew.* This card is required from each person, passenger or crew member attempting to leave the Customs area. As it is not always readily possible to differentiate between foreign arriving and domestic originating crew, all crew members present a card at the exit control.

Crew members are subject to full Customs clearance procedures only when they have been outside the country, or when they have flown a portion of an international flight carrying travellers either into or out of Canada. These types of flights are referred to as *Progressive Clearance* or *Progressive Boarding.*

*Progressive Clearance* flights are flights operating into Canada for the purpose of off-loading passengers and crew for Customs clearance at more than one airport of entry in Canada. An example of this would be a flight originating in Prague and arriving in Canada to deplane passengers at Toronto and Mirabel. There are instances, where for positioning purposes, crew members may enplane in Toronto and travel to Mirabel. Upon arrival in Mirabel, all remaining persons on board must deplane and clear Customs. The crew members who boarded the flight in Toronto must also clear Customs in Mirabel as they have had contact with internationally arriving passengers who had not yet cleared Customs.

*Progressive Boarding* flights are flights departing for a foreign destination whereby passengers and crew are enplaned at more than one authorized airport in Canada. An example of this is a flight destined for London, England. The flight boards passengers destined for London in Toronto and travels to Mirabel. In Mirabel the passengers from Toronto remain on board the aircraft, and passengers from Mirabel destined for London also board the aircraft. Again there are instances, where for positioning purposes, crew members not involved in the operation of the flight, (dead head crew) will board in Toronto and deplane in Mirabel. On arrival in Mirabel these crew members must report to Customs as they have had contact with and access to duty free purchases.

## WESTERN GRAIN TRANSPORTATION

### CROW RATE—DIRECT PAYMENT TO FARMERS—GOVERNMENT POSITION

*(Response to question raised by Hon. Leonard J. Gustafson on November 17, 1994)*

The government is now examining how changes can be made to the Western Grain Transportation Act — changes which enable Canada to meet its international obligations, and which are a greater benefit domestically. Reform is essential to achieve compliance with the new General Agreement on Tariffs and Trade, to respond to the country's fiscal realities, and to remove barriers to economic diversification and growth. Simply maintaining the status quo is an option that makes less and less sense.

Minister Goodale has written to 96 farm groups and other stakeholders outlining the issues and inviting their comments. He is also consulting with as many of the interested parties as is possible. At the same time, Transport Canada has been holding broad discussions with industry about grain freight rates and efficiency issues. Following both sets of consultations, the Ministers of Transport and Agriculture and Agri-Food will make recommendations to Cabinet covering all the various aspects of grain transportation reform. Decisions are expected early this year.

## JUSTICE

### PAROLE SUPERVISION OF HIGH-RISK OFFENDERS—GOVERNMENT POSITION

*(Response to question raised by Hon. Duncan J. Jessiman on November 24, 1994)*

The Auditor General of Canada report did not specifically identify which parole offices lack resources to properly manage high-risk offenders. However, the Auditor General did note [in exhibit 18.8, on page 18-18 of his report (*for text, see appendix, p. 1200*)] that there are significant variations between parole offices in the amount of time available for contact supervision with offenders.]

The Correctional Service of Canada responded to the Report of The Auditor General by saying that, in correctional circles, it is generally agreed that parole and probation officers should not be expected to handle more than 30 cases, yet other correctional jurisdiction caseloads may be in excess of 100.

The Correctional Service of Canada is one of the few services in North America that achieves this goal where the average number of supervision cases ranges between 20 and 28. Individual offices may differ from this range owing to geographical consideration i.e. caseload spread over a large rural area. It also depends on the mix of cases and whether the cases are direct supervision or indirect through a third

party, such as the John Howard Society, and the other responsibilities borne by community correctional staff, for example, running community correctional facilities or delivering relapse prevention programs.

The Correctional Service is presently conducting a review of its community-based services. Based on the result of this process, additional resources may be reallocated to ensure that supervision interventions with conditionally released offenders continue to place public protection as paramount. Also, there are ongoing discussions with the National Parole Board regarding supervision arrangements for different types of offenders.

Despite the variations in caseloads in some offices, CSC maintains the proper management of high-risk offenders, and public safety is not at risk.

## TRANSPORT

### DESTAFFING OF LIGHTSTATIONS IN BRITISH COLUMBIA— ENVIRONMENTAL IMPACT ASSESSMENT— GOVERNMENT POSITION

*(Response to question raised by Hon. Pat Carney on December 1, 1994)*

The Coast Guard has been operating an automatic unattended light at Cape St. James for many years. The navigation light has a solar power supply. Environment Canada used to operate a staffed weather station at Cape St. James. They removed their three weather observers from the site September, 1992 and have installed an automatic weather gathering station.

Environment Canada had an environmental impact assessment carried out at the site. The destaffing of the weather station was carried out in conformance with the environmental assessment and with the findings of Parks Canada archaeologists. The Haida people also reviewed and video taped the site prior to destaffing.

The building and other facilities on the station were disassembled. The majority of the building materials were either recycled to local communities or barged to a landfill at Sandspit. The only burning that took place was a very small amount of untreated wood material under conditions as prescribed in the environmental assessment. The site was restored to a pristine condition.

The attached document from Environment Canada provides more details.

Senator Carney has raised two issues in her question relating to the destaffing of the Weather Station at Cape St. James in the Queen Charlotte Islands.

Insofar as an environmental impact assessment is concerned, an assessment was performed by the Public Works Canada unit in Calgary which is dedicated to Parks Canada, Western Region. This assessment is available from:

Regional Executive Director
Pacific and Yukon Region
Heritage Canada
Room 1200
800 Burrard Street
Vancouver, British Columbia
V6Z 2N5
(604) 666-2060

In addition to the environmental impact assessment, Parks Canada archaeologists evaluated the site and found no significant artifacts. The Haida people also reviewed and video taped the site prior to destaffing.

The building and other facilities on the station were disassembled. The majority of the building materials were either recycled, to such places as the Haida community at Rose Harbour, or barged to the landfill at Sandspit. The only burning that took place was a very small amount of untreated wood material. The procedures for any burning were prescribed in the Environmental Assessment. The site was restored to a near pristine condition, as required.

As for the question of human safety, Environment Canada performed an internal review of the data requirements needed from this location to fulfil its human safety mandate to provide weather warnings and forecasts. It was determined that the basic elements observed by the replacement automatic weather station and buoy are sufficient to meet this mandate and that maintaining human weather observers at this site was neither necessary nor cost effective. The system of automatic weather observing equipment installed includes an automatic weather station on the same site plus a meteorological buoy moored 25KM South Southwest of Cape St. James.

The Canadian Coast Guard and Transport Canada, Air represent the interests of the marine and aviation user groups which may have been impacted by the destaffing of Cape St. James. Consultation with these agencies was conducted through an ongoing Regional Coordinating Committee.

## AGRICULTURE

WESTERN GRAIN TRANSPORTATION—
BACKHAUL TO THUNDER BAY—GOVERNMENT POSITION

*(Response to question raised by Hon. Leonard J. Gustafson on December 1, 1994)*

The government will put an end to the practice of backhauling United States bound grain from Thunder Bay to Fort Frances or Winnipeg and then sending it south, simply to qualify for the Western Grain Transportation Act (WGTA) subsidy. Legislative amendments to end this practice were tabled in the House of Commons on December 15, 1994. These amendments will help to make the grain movement system more efficient and better able to meet the needs of Canada's grain customers.

## REVENUE CANADA

AMOUNT OF EXPORT TAX PAID BY TOBACCO MANUFACTURERS—
NET LOSSES TO FEDERAL TREASURY—GOVERNMENT POSITION

*(Response to question raised by Hon. Mira Spivak on December 6, 1994)*

As anticipated, the re-introduction of the export tax on tobacco products as part of the anti-smuggling initiative will result in a minimal amount of tax payable.

This situation is not resulting in a loss to the federal treasury. The export tax was not designed to restrict the ability of Canadian tobacco manufacturers to access legitimate export markets for their products and the exemptions ensure that products that are not susceptible to smuggling do not bear the tax. The export tax was introduced as part of the government's anti-smuggling initiative (ASI), chiefly to help curb the smuggling back into Canada of large quantities of cigarettes exported to the U.S. ASI also included increased resources for enforcement, a reduction in the federal excise tax on tobacco products, a major health promotion anti-smoking campaign and a surtax on tobacco manufacturer's profits.

There are indications that the government's strategy is being successful. Exports of tobacco products to the U.S. have decreased dramatically while domestic sales of duty paid tobacco products have increased correspondingly. These facts tend to indicate that the government's objective of restoring the legal domestic market for tobacco products has been largely achieved.

## ATLANTIC CANADA OPPORTUNITIES AGENCY

SUBSTITUTION OF LOANS FOR SUBSIDIES—
GOVERNMENT POSITION

*(Response to question raised by Hon. Eymard G. Corbin on December 8, 1994)*

On February 7, 1995, the Minister for ACOA announced the details of the new repayability policy. Applications received prior to February 7 will be evaluated according to the former policy. Applications received on or after February 7 will be subject to the revised repayability requirements.

No new legislation is required to implement these changes.

## HUMAN RIGHTS

SALE OF ARMS TO THAILAND—GOVERNMENT POSITION

*(Response to question raised by Hon. Consiglio Di Nino on December 8, 1994.)*

- Canada is the only country to publish an annual report on the export of military goods.

- The reports for the years 1990, 1991, 1992, 1993 are presently available upon request from the Department of Foreign Affairs and International Trade Export Controls Division.

- Total 1994 sales of military goods to Thailand as of September 1994 is $19,933,596.

- With regards to future sales, it is impossible to comment on sales that have not taken place.

- Issuance of export permits is not confirmation of sale. Companies routinely apply for export permits as part of their marketing preparations.

- Exports of military goods to Thailand are still reviewed according to the 1986 policy on the export of military goods.

- The government is unable to release information on the issuance of export permits or reports of actual sales for specific companies because this information is considered "Commercial Confidential."

## NATIONAL DEFENCE

SEARCH AND RESCUE—REPLACEMENT OF SEA KING AND LABRADOR HELICOPTER FLEETS—GOVERNMENT POSITION

*(Response to question raised by Hon. J. Michael Forrestall on December 12, 1994)*

The Canadian Search and Rescue Helicopter Project and the Maritime Helicopter Project have been initiated to continue the Search and Rescue and Canadian Forces maritime surveillance capabilities into the next century. Project teams are studying various procurement options to satisfy the operational requirements. It is not inconceivable that a rationalized fleet to perform both roles may well be chosen but both projects are too early in their respective planning stages to make any definitive statements on this matter.

## ATLANTIC CANADA OPPORTUNITIES AGENCY

SUBSTITUTION OF LOANS FOR SUBSIDIES—APPLICATION OF SIMILAR RULES IN ALL PROVINCES—GOVERNMENT POSITION

*(Response to questions raised by Hon. Brenda M. Robertson on December 13, 1994)*

Q: What consideration is being given to addressing the equity financing needs of business in this range, ($100,000 to $200,000), which create the most jobs and opportunities for Canadians?

A: While most ACOA assistance will be repayable, interest is not normally charged and repayment terms can be tailored to the needs of the client. Also, depending on the type of project, there may be a grace period of up to five years during which repayments will not be required. ACOA assistance will still act as equity during the critical start-up phase of the project.

As concerns venture capital, negotiations are ongoing with the banks and provincial governments to set up the first formal venture capital fund in Atlantic Canada.

Q: Will the Honourable Leader of Government provide assurance that the regional development dollars being spent in Ontario by FEDNOR and FORD-Q be subject to the same rules that federal government is applying in Atlantic Canada and in the Western?

A: FORD-Q in Quebec operates on repayable loans.

All business incentives provided by FEDNOR where the contribution exceeds $100,000 are repayable. Contributions under $100,000 are evaluated on a case-by-case basis, focusing on the business details of each client application, to determine if the incentive will be repayable or non-repayable. This incentives policy is currently under review, with further refinements anticipated for the next fiscal year.

## TRANSPORT

DESTAFFING OF LIGHTHOUSES— REQUEST FOR JUDICIAL INQUIRY— GOVERNMENT POSITION

*(Response to questions raised by Hon. Michael Forrestall on December 14, 1994)*

Will the Leader of the Government find out whether or not the term "marine-related matters" includes our request for a judicial inquiry into destaffing?

No. There a number of marine policy issues being referred to the Senate Committee on Transport but the issues do not include the destaffing issues.

Was it the Minister's intention to refer the question of destaffing to the Standing Committee on Transport?

No. This question is not being referred to the Standing Committee on Transport.

Will there be a judicial inquiry into the destaffing of lighthouses on the West Coast of Canada, in Newfoundland, and other maritime centres?

On November 3, 1994, Transport Canada issued a News Release on Public Consultations on Lightstations set to begin on both coasts in November. As of January 27, 1995, consultations have been held in 60 communities on both coasts including 28 on the West Coast. By the time the consultations have been completed at the end of January, 1995, 62 communities will have been visited. The results of the current public consultation sessions will be used in the development of the final plan implementation plan for destaffing. The plan will identify any adjustments to safety services required before destaffing can be undertaken, and the timing of destaffing at different sites. Given that the decision to destaff lightstations has been taken, and that necessary safety services will continue, the government position is that there is no need for a judicial inquiry on this issue.

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

PARKS CANADA—LOCATION AND COMPOSITION OF MEETINGS

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 63 on the Order Paper—by Senator Tkachuk.

CANADIAN BROADCASTING CORPORATION— NATIONAL FILM BOARD—TELEFILM CANADA— COMMISSIONING OF PRODUCTION OF WAR FILMS

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 71 on the Order Paper—by Senator Phillips.

AGRICULTURE CANADA—
FEDERAL EXPENDITURE ON RESEARCH

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 72 on the Order Paper — by Senator Spivak.

## REVIEWING CANADA'S FOREIGN POLICY

RULING BY SPEAKER OF HOUSE OF COMMONS—
POINT OF ORDER—SPEAKER'S RULING

**The Hon. the Speaker:** Honourable senators, before I call the Orders of the Day, this might be an opportune time to give a ruling that has been outstanding for some time.

Honourable senators, on Wednesday, November 30, 1994, a point of order was raised by the Honourable Senator MacEachen, PC, with regard to the report of the Special Joint Committee Reviewing Canada's Foreign Policy. The point of order concerned a ruling made by the Speaker of the House of Commons on November 24, 1994 in which he stated that should a reprint be required of the special joint committee's report, he would instruct his officials to ensure that the dissenting opinions of the Official Opposition and Reform Party be printed after the signatures of the co-chairs in the same volume. Senator MacEachen's specific point of order was whether a ruling from the Speaker in the House of Commons carries with it the concurrence of the Senate in a matter which, in his view, is within the joint custody of both houses.

[*Translation*]

The point of order generated interesting comments from several honourable senators. Arguing that the Standing Orders of the House of Commons did not apply to joint committees, Senator Gauthier suggested that the Senate should submit a set of rules relating to joint committees to both houses for approval. Senator Ottenheimer wondered if Senator MacEachen's objection would disappear if, in the Senate, the next reprint was distributed in three volumes as is now the case. Senator Lynch-Staunton expressed the opinion that, if the Senate decided to participate in another joint committee, it must see to it that the rules of one house do not prevail over those of the other house. Senator Murray pointed out some procedural difficulties faced by him and Senator Corbin as co-chairs of the former Special Joint Committee on Official Languages. Senator Stewart wondered if a bill could receive Royal Assent if it complied with the rules of only one house. In his opinion, this decision could have serious consequences, including the fact that the format of a special joint committee's report can be modified by the other house and still be presented to the public as the work of a joint committee of the Senate and the House of Commons when such is not the case. Senator Corbin feels that this matter should be referred to the committee for its consideration and report.

[*English*]

At the outset, I must say that I sympathize with what was said on November 30 regarding this point of order. I am mindful of a ruling made by the Speaker of the other place a few years ago when the Senate divided a certain bill from the House of Commons into two without seeking the Commons' concurrence. In his decision, the Commons Speaker expressed his opinion that the Senate should have respected the propriety of asking the House of Commons to concur in its action of taking a bill that had originated and passed in that place and dividing it into two separate parts. The House of Commons subsequently sent a message to the Senate, asking it to return the bill in an undivided form. I am referring, of course, to the proceedings on Bill C-103, the Atlantic Canada Opportunities Agency Bill of 1988.

Senator MacEachen's point of order does not ask the Senate Speaker to stand in judgment of whether the Speaker of the other place correctly interpreted its standing orders. This would be quite improper and unquestionably infringe the right of each house to the exclusive cognizance of their proceedings.

*Erskine May's Parliamentary Practice, Twenty-first Edition*, page 90, states:

> ... the right of both Houses to be the sole judge of the lawfulness of their own proceedings, or to settle — and depart from — their own codes of procedure is fully established. This is equally the case whether a House is dealing with a matter which is finally decided by its sole authority, such as an order or resolution, or whether, like a bill, it is the joint concern of both Houses.

This point of order more directly deals with the relationship between the two houses. The discussion that followed revealed that many senators felt strongly about this unilateral action on the part of the Commons to a report which is the product of both houses. It is important to understand, however, that I, as your Speaker, am without power to take corrective action in the matter, no matter how much I may sympathize with the points raised. If the Chair may be permitted a suggestion, it would seem more appropriate that since this question involves bicameral relations, in particular the proceedings of joint committees, the traditional methods of communications between Houses of Parliament, such as the formal message, be utilized.

It would appear to the Chair that the whole question of the practices and procedures of joint committees should be better institutionalized. If one reads the British authorities, the principles of joint committee work are quite clear. Joint committees are, in theory, to act on common authority. Erskine May's Twenty-first Edition, page 665, states:

> Generally speaking, each House gives identical powers to the members appointed by it to serve on a joint committee. A joint committee has only such authority, and can exercise only such powers, as have been conferred upon it by the two Houses concurrently, nor can the powers of a joint committee be enlarged by an order of one House alone ... For a joint committee to act on an authority which had been delegated to it by one House only would be *ultra vires*.

• (1510)

As well, the procedures of British joint committees are more thoroughly defined, particularly in cases where practice may differ from one house to the other. Again, citing Erskine May at page 667:

> The procedure of a joint committee follows the procedure of select committees of the House of Lords when such procedure differs from that of select committees of the House of Commons, whether the chairman is a member of the Commons or the Lords. For example, the practice of the House of Lords according to which the chairman of a committee votes like the other members, but has no casting vote, and the Lords' method of deciding the question if the votes are equal, are followed by a joint committee.

[*Translation*]

In our Parliament, the British principle according to which each chamber shall confer identical powers on joint committees is not always observed. For instance, both chambers did not give the same powers to the Standing Joint Committee on Scrutiny of Regulations. Under Standing Order 123(1), the House of Commons confers a power on the committee that the Senate does not. The standing order reads as follows:

> 123(1)In addition to the powers granted, so far as this House is concerned, to the Standing Joint Committee for the Scrutiny of Regulations, pursuant to Standing Order 108(4), the said Committee shall be empowered to make a report to the House containing only a resolution which, if the report is concurred in, would be an Order of this House to the Ministry to revoke a statutory instrument, or a portion thereof, which the Governor in Council, or a Minister of the Crown has the authority to revoke.

The procedures of our joint committees are not adequately defined in their orders of reference. There is nothing about the rules or procedures that prevail in case of differences between the two chambers. For instance, under the Standing Orders of the House of Commons, the chairman of a committee is allowed to vote only if the votes are equal, while under rule 96(1) of the Senate, the vote of the chairman is always included. When the votes are equal in committees of the Senate, the motion is deemed defeated.

[*English*]

I note also that many joint committees have formally requested the government to table a comprehensive response to their report within 150 days pursuant to Standing Order 109 of the House of Commons. Such requests were most recently made by the Standing Joint Committee for the Scrutiny of Regulations in its second report dealing with illegal dispensations, tabled in the Senate on December 1, 1994, and the Special Joint Committee Reviewing Canada's Foreign Policy, tabled in the Senate on November 15, 1994.

This discrepancy in our practices was mentioned in comments by senators last December 14 when Senator Lewis initiated debate on the adoption of the second report of the Scrutiny Committee. Nonetheless, as was admitted then, the Senate has no equivalent rule to request a response from the government.

More basically, there is not even agreement as to what are our joint committees. The Senate still lists in rule 86 the Joint Committee on the Printing of Parliament and the Joint Committee on the Restaurant of Parliament. The House of Commons has not recognized these committees for many years.

[*Translation*]

There are other problems. One chamber may change the mandate of the joint committee and merely inform the other chamber after the fact, instead of seeking its consent. What is to constitute a quorum of members from both chambers is not always specified. How financial and administrative responsibilities are shared in the case of a joint committee has also been a problem.

[*English*]

I bring these matters to the attention of honourable senators in the hope that action may be taken to resolve these differences to the satisfaction of both chambers.

Pursuant to rule 86(1)(*f*), our Standing Committee on Privileges, Standing Rules and Orders has the power to study procedural questions on its own initiative. Following the suggestions made during the discussion on November 30, perhaps that committee, in consultation with a committee of the other place, could propose a set of rules for approval by both chambers.

I thank the Honourable Senator MacEachen and other honourable senators for bringing this matter to the attention of the Senate.

**Hon. Allan J. MacEachen:** Honourable senators, in rising, I do not intend to in any way question the excellent ruling which His Honour has made, and particularly the suggestion that there are differences in the operation of the joint committees and that it might be useful to have an examination of the practices, with the object in mind of producing some common understanding.

Honourable senators, the thought that goes through my mind is: What is the remedy that is presently available to the Senate in order to reprint the report of the special joint committee? The mandate of the special joint committee terminated upon presentation of its reports to both houses. Therefore, the committee no longer exists, and can take no action to order a reprinting. There is a suggestion — or maybe a hint; maybe it is a clue, or an indirect guidance from the Chair — that the Senate itself ought to move and order the reprinting of the report in the way that was determined by the co-chairs of the committee.

I base my interpretation of a possible hint on *Erskine May's Parliamentary Practice, Twenty-first Edition*, at page 90, which argues that each house has the right to judge its own proceedings and to settle its own problems. This house has a problem in that the special joint committee report is out of print. People are asking for it and, as I understand it, it is not available.

Perhaps we could reflect on that and propose a solution based upon the right of each house to the exclusive cognizance of their proceedings based on Erskine May. Or perhaps we could direct a message to the House of Commons, asking them to concur in an order calling for the reprinting of the report in the form that was

determined by the co-chairs of the committee. It probably would produce a robust debate in the House of Commons, as the Bloc Québécois would obviously oppose, but their heartiness may be somewhat dissipated as a result of the elections yesterday.

However, I do not think that the possibility that one party in the other House might oppose such an action should deter the Senate from considering asking that House to concur in an order that would allow the joint committee report to be reprinted. As I understand it, that report is out of print, and people want copies. In order to satisfy that need, apparently photocopies were being made, but that practice has now been terminated.

A remedy is required, and I think His Honour the Speaker has given us a hint.

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• (1520)

# ORDERS OF THE DAY

## SECURITY AND INTELLIGENCE

### POSSIBILITY OF ESTABLISHING SENATE COMMITTEE— INQUIRY—DEBATE ADJOURNED

**Hon. William M. Kelly** rose pursuant to notice of December 8, 1994:

> That he will call the attention of the Senate to the desirability of considering at this time the establishment of a Standing Committee on Security and Intelligence.

He said: Honourable senators, the standing committees of the Senate are currently being reviewed with a view to their possible restructuring. I propose that consideration be given to the creation of a standing committee on security and intelligence. The mandate of the committee would be to monitor all the organizations which perform security and intelligence-gathering or analysis functions. By my count, and as identified in the 1987 report of the Special Committee on Terrorism and Safety, there are about a dozen such organizations within the Government of Canada. Most of these organizations are buried within a department or agency and have no public visibility, but are important all the same.

I believe that a standing committee of this house would serve a useful purpose. In fact, it could be called essential, for three reasons:

First, it makes no logical sense that some of our security intelligence organizations have what is called an external review mechanism but that most do not. For example, CSIS and the Communications Security Establishment have been in the news lately. Why should there be an external review body for CSIS and not for CSE? This matter has been raised before in this house.

Second, those external review bodies which do exist are at arm's length from both the government and Parliament. I believe that there should be a permanent parliamentary monitoring mechanism. In any modern democracy, it makes no sense to do otherwise. I can think of no argument — practical, constitutional or otherwise — for the security intelligence establishment to be beyond the reach of, or obscured from, parliamentary review.

Third, and perhaps most important, I think that the Security Intelligence Review Committee, SIRC, which reviews CSIS is performing adequately in a technical and operational sense. The problem, however, is that SIRC is perceived by many Canadians not to be working well — and, I venture to say, by many parliamentarians.

Whether rightly or wrongly, some of the criticisms made of SIRC have stuck. Because SIRC members are appointed by the Prime Minister, they are perceived to be political. Even though appointments are made after consultation with the leaders of the opposition parties in the other place, the majority of the appointees, and usually the chairman, belong to the same political party as the government then in power. The concern which has been expressed is that SIRC may, therefore, be inclined to ignore or whitewash any actions by that government which otherwise might not pass muster.

The problems, and the potential to make partisan capital, are increased when a new government takes over and the appointees are asked to review things that happened under a previous government. It is a question of credibility, of the right of all Canadians to have confidence in their institutions, particularly those institutions designed to protect their civil rights.

I attended several sessions of the subcommittee in the other place that investigated the so-called Bristow affair involving, of course, CSIS. It is clear to me that most, if not all, of the members of that committee, and those in attendance as observers, were dissatisfied with the process, particularly with the answers they were getting or not getting. A clear sense of unease pervaded the committee room; unease that the committee was not being told everything; unease that we, as parliamentarians, do not know everything we should know.

We all need to be reasonably satisfied that there are no rogue security intelligence agencies running amok. We all need to know that the security intelligence function is being conducted efficiently and effectively within appropriate legal boundaries and safeguards. We all need to know that our security intelligence establishment is addressing the issues that have to be addressed, and are not caught up in a Cold War time warp.

With the greatest respect to those involved, the SIRC report on the Bristow affair released last December will not make those concerns go away. The mere fact that the report exonerated CSIS of any wrongdoing will, unfortunately, lead to claims of a whitewash.

The fact that the SIRC report blamed the media, particularly the CBC, for inaccurate or inept reporting likely means the report would not get a fair shake. The SIRC report did not address allegations of illegal spying on the Parti Québécois, the Bloc Québécois, or other elements of the separatist movement in Quebec. Those allegations were made frequently in the other place, and quite frankly, in style if not in substance, the SIRC report appeared to be treading very carefully, as I suppose it should have, and begged answers to some questions that remain unanswered.

I do not believe that the standing committee on security and intelligence which I am suggesting today, should perform either an oversight or a review function with respect to specific organizations or activities. Let us leave that to the SIRCs of the world. I see a broader mandate that includes identifying any need for changes in legislation, regulations, guidelines, et cetera, governing each of the security intelligence units; commenting on the degree of cooperation with law enforcement agencies such as the RCMP, and with provincial or municipal security intelligence and enforcement agencies; identifying any areas of overlap or duplication of activities, and where economies could be realized; ensuring that timely and efficient exchanges and assimilation of data and information occur from all security intelligence units; commenting on the relevance of security intelligence activities in the evolving geopolitical and domestic environments, in particular the evolving focus on economic espionage, the proliferation of nuclear weapons and substances due to the breakup of the Soviet Union, domestic terrorism and subversive groups, and so on.

It is important to note that such a mandate would not duplicate the mandate of any existing entity but would significantly enhance the political accountability of our security intelligence apparatus.

I think a Senate committee would be admirably suited to such a role. We can, I think, better than the other place, bring continuity to the review of long-term issues. We also can, I hope, rise above the temptation to use security intelligence issues for partisan purposes. Obviously the committee would often have to meet *in camera*. Its reports would often not be public, but I would hope that many sessions and the review of many issues would be in public in order to demystify the security intelligence establishment, encourage public participation and help to educate Canadians on the role and the importance of security intelligence functions in today's society.

I also recognize that it would take time to establish the necessary relationships of trust between such a committee and the various security intelligence organizations. However, I believe it is a step worth taking; a step that I would argue is somewhat overdue.

I would ask, therefore, in the context of the review of committees now under way, that we seize the initiative and consider the establishment of a Senate standing committee on security and intelligence.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I know that Honourable Senator Corbin has expressed an interest in this particular inquiry and the suggestions which have been made by Senator Kelly. Therefore, I move the adjournment of the debate in the name of Senator Corbin.

On motion of Senator Graham, for Senator Corbin, debate adjourned.

[*Translation*]

## CANADA COUNCIL

### CONSULTATIONS ON THE FUTURE—INQUIRY—DEBATE ADJOURNED

**Hon. Jean-Louis Roux** rose pursuant to notice of December 15, 1994:

> That he will call the attention of the Senate to the fact that Mr. Roch Carrier, Director of the Canada Council, and Ms Donna Scott, Chair of its Board of Directors, are completing a cross-Canada tour undertaken to consult with Canada's arts community on the Council's future, given that additional cuts for the coming fiscal year may seriously compromise the Council's original mission.

He said: Honourable senators, in *The Tempest*, through Prospero, Shakespeare asserts:

[*English*]

> We are such stuff as dreams are made on...

[*Translation*]

"We" refers to man — humanity. "Dreams" refers not only to fantasy, hope and vision — vision is essential for all humanity and for all societies of humans — but also to all things imaginary, creative ingenuity, "the ability to invent, to conceive, together with a talent for vividly portraying these conceptions," according to the *dictionnaire Littré*. Shakespeare reminds us that humanity is cut from the same cloth from which is made the culture which surrounds it and which nourishes it.

If we were to prevent someone from dreaming in his sleep, we would plunge him into a deep depression which could lead to death. In the same way, if we deprive a society of culture, that is to say of its intellectual and spiritual development and enrichment, on which it normally depends, we condemn it to asphyxiation.

The importance of arts and culture in the evolution and growth of a society has been recognized always and everywhere. The arts have an ancient lineage. The first demonstration of creative power in an artist goes back to Cro-Magnon man, more than 40,000 years ago.

[*English*]

• (1530)

But we need not necessarily look so far in the past to find defenders of culture. My own party, in its well-known Red Book, acknowledged the importance of culture to Canada:

> Culture is the very essence of national identity, the bedrock of national sovereignty and national pride. It gives meaning to the lives of every Canadian and enriches the country socially, politically, and economically...At a time when globalization and the information and communications revolution are erasing national borders, Canada needs more than ever to commit itself to cultural development...Arts and cultural activities have become the ninth largest industry in the country, with direct revenues of $11.5 billion. Liberals recognize not only that the promotion of cultural industries contributes to enhancing Canadian identity, but also that cultural products create jobs at home and bring in revenues from abroad.

Our most recent illustration in this chamber, honourable senators, came from our colleague Senator MacEachen in his speech on the report of the Special Joint Committee Reviewing Canada's Foreign Policy. He said:

> Much has already been made of the committee's focus on culture and learning as a fundamental dimension of foreign policy. We know that our political influence and trade expansion are affected in large part by the image we project abroad. The committee heard convincing testimony on this. We also know that culture and education are major exports and key elements of the global knowledge-based economy. The committee recommends that the government, with the collaboration of interested provinces, give high priority to developing a strategy for Canada's international cultural, scientific and educational relations.

This concept was again formulated by the Minister of Foreign Affairs, the Honourable André Ouellet, when he tabled in the House of Commons a document entitled, "Canada in the World," in which is identified the projection of Canadian values and culture as one of the three key objectives of its foreign policy.

[*Translation*]

Certain allusions, in the statements I have just quoted, on the subject of economic aspect of culture, lead me to try to dispel a widespread myth, according to which the arts and culture cost taxpayers too much and according to which artists are professional beggars. In reality, it has been proven over and over again that the subsidies granted to production companies, particularly in the area of stage performances, do not constitute charitable donations by governments; rather they are an investment, the return often being greater than the investment.

[*English*]

In fact, the arts attract tourist dollars, stimulate business development, spur urban renewal and improve the overall quality of life in our cities and towns. Eloquent figures on the subject are regularly published by the Council for Business and the Arts in Canada and by Statistics Canada. Thus, in a document entitled, "Selected Economic, Financial and Cultural Indicators for the Cultural Industries Sector" it is stated that the direct impact of the arts and culture sector, as measured by the contribution of the national Gross Domestic Product, is estimated at $16.2 billion in 1992-93, or 2.7 per cent of the GDP of the whole economy; that total direct employment generated by the nine arts and culture-related fields exceeded 460,000 direct jobs for the same period; and that with its various interaction with other businesses, which supply necessary materials and services, the arts and cultural sector generates considerable spending, leading to indirect demand for goods and services from other industries. This brings the total direct and indirect impact on the GDP to over $24 billion, or four per cent of the GDP of the whole economy. Finally, the corresponding jobs created directly or indirectly numbered more than 660,000 in 1992-93.

[*Translation*]

The Fathers of Confederation could not have predicted what would happen 125 years after Confederation. They therefore were silent on the subject of culture. We had to wait almost until the creation of the Massey-Lévesque commission before a word appears in official texts concerning arts and culture in the life of the nation. Still, I should point out, for clarity, that Mayor Drapeau provoked the birth of the Conseil des Arts de la Région Métropolitaine de Montréal in 1955. It was only two years later, in 1957, that Royal Assent was given for the creation of a Canada Council for the Arts, Humanities and Social Sciences, which received a mission to foster and encourage the study, appreciation and creation of work in the areas of culture, the humanities and the social sciences. Later, in 1978, this council was split in two, the responsibility for arts and culture remaining with the renamed Canada Council.

[*English*]

The council quickly became the primary partner of artists and creators as they practised their professions. Organizations and individuals alike found that the council listened to their needs and concerns, unlike their experience with provincial ministries of culture where they were met with people who preferred giving advice to listening.

It is also true that I have rarely heard of the slightest reserve from the artistic community concerning the effectiveness of the Canada Council. Even in Quebec in the current political context, the most ardent separatists come to the defence of the Canada Council. I have here in my hand a document entitled, "Il faut sauver le Conseil des Arts du Canada" addressed to Prime Minister Jean Chrétien and signed by nearly 1,000 artists, technicians and administrators of Quebec theatre, of whom almost all are declared separatists.

[*Translation*]

I invite honourable senators to draw their own conclusions from this. One thing is certain: To keep its support unanimous in artistic circles, the Canada Council needs the support of the general public, through the voices of Canadian parliamentarians, regardless of party. Among these parliamentarians there are, however, those who pretend that on the one hand artists and their organizations should find their funding other than from governments — that is to say in the private sector — and on the other hand, they should increase their revenues by increasing ticket prices in theatres, cinemas, museums, et cetera and the price of books.

In my opinion, apart from the fact that I should point out that artists are the primary supporters of arts and cultures by reason of the minimal financial conditions in which they accept to practice their profession, these two solutions are misleading and falsely shift our focus on the problems at hand. Their application would be dangerous for the good development of the arts and culture in Canada.

As for the private sector, both industrial and commercial, their resources are limited, and the number of requests for donations are becoming more and more numerous. This source of funding is already pushed to the limit, or nearly so. Also — and this is even more serious — the subsidies of private companies impose a form of self-censorship on the artist. The private sector, by its sponsorship, generous though it is, serves to determine the content of the art. This, of course, is forbidden in the case of government subsidies lest the government be accused of breaching freedom of expression.

The ideal solution would be for private enterprise to donate money directly to the Canada Council, provided that there are fiscal incentives to do so and provided that the council would not be competing with other arts organizations which already receive financial assistance from industrial and commercial enterprise.

By making access to cultural products more difficult, such a measure would help make art and culture a domain available only to the well-to-do. This is already too true, considering the gradual withdrawal of public resources which began several years ago.

Artists are responsible citizens. They do not claim special treatment. They are aware of the alarming financial situation Canada faces. Nor do they request an increase in current levels of funding granted by Parliament to major cultural institutions and to the Canada Council in particular. All they want is to assert that any additional cuts in this sector would cause irreparable harm. Therefore, they demand that levels of contributions be stabilized, which, in real dollars, constitute nonetheless a reduction. In reality, further cuts would lead precisely to results which are the opposite of those expected. In fact, the impact of arts and culture on the GDP would be reduced, and many of the 660,000 workers in the cultural sector would be forced to rely on welfare and unemployment insurance.

[*English*]

• (1540)

In an interview with *The Ottawa Citizen*, Brian Anthony, Associate Director of the Canada Council, declared that cuts to the council's annual appropriation of up to 32 per cent are expected over the next four years. Overall, the value of the council's total budget has declined by 30 per cent since 1986 when inflation is taken into consideration. Add this to the foreseen 32 per cent, and you have a total decline of roughly 70 per cent, in constant dollars, in less than 15 years. As Molière's doctors would put it: The cure might have been efficacious had not the patient died before its completion!

At the same time, honourable senators, consider that the entire federal grant to the Canada Council last year represented a "huge" 0.06 per cent of the total federal budget. What real effects could further cuts to the organization have on the deficit when juxtaposed with the economic and social benefits reaped from this investment?

Not that the council could not improve on itself. Mrs. Scott, who chairs the council's board, and Mr. Carrier, its director, have conceded that administrative costs of up to 20 per cent of the budget are unacceptable. Nevertheless, I object seriously to Mrs. Scott's conclusion in *The Toronto Star* of November 12 last. She said, "We need to spend more of our money on the arts community and less on getting it to them."

[*Translation*]

This sort of attitude seems to have roots in good intentions, in the goal of helping Canada reduce its deficit, but would save only a few thousand dollars a year. However, these good intentions threaten to abase irrevocably the credibility of the council, in the minds of artists. In fact, the privileged relationship between the Canada Council and the artistic world is attributable to the professional quality of its personnel at all levels. I am thinking especially of the council's agents, often practising artists of high calibre, who agree to interrupt their own carreers to devote their talent for the welfare of their colleagues, in the interest of the whole population, which has a right to cultural products and to works of art of unique quality. These agents criss-cross Canada, "*a mari usque ad mare*." Their presence is an inspiration for artists in the most remote regions. At the same time, being on the ground, these agents are better able to evaluate the return on the council's investments.

Any budgetary reduction having the effect of deteriorating these human contacts and of reducing the professional quality of the organisation's personnel would have harmful and irreversible consequences. The Canada Council might be more efficient from an administrative point of view, but it would have lost its dynamism, to the great detriment of all Canadians.

Certainly, there are a thousand ways to reduce the deficit: The government can increase its revenues, on the one hand, and it can reduce its expenses on the other. On the revenue side, I recently read, in the newsletter of the Rights and Liberties

League, Winter 1995 issue, an article which troubled me. I have myself verified the figures employed by the author, Mr. Denis Langlois, with Statistics Canada documents, and I have found his analysis to be sound. I will quote a few passages.

> Economic data indicate an increase in wealth of 30% from the beginning of the '80s to 1993. Society as a whole is richer than it was 10, 15 or 20 years ago. So how is it that we can no longer afford the same services, the same education and social programs as before? Where is this new money and where is it going.?
>
> ...It is a more pertinent question that on a number of occasions different groups of society, economists and even fiscalists, have sought to introduce into the debate the perspective, for instance, of a re-examination of the fiscal system.
>
> ...The evolution in percentages of fiscal receipts shows that the contribution of individuals has increased while that of corporations has decreased. By the same token, the portion of tax paid by those with the highest incomes has decreased while the middle class has seen its own increase considerably.

It is astonishing, is it not? The reworking of our fiscal system, in addressing these injustices and correcting certain abuses in the field of family trusts, for example, could furnish billions of additional revenues to the state's coffers. That is only one measure among many.

Now for the spending cuts. I will come back to what perhaps many would call my scapegoat: defence. With a budget 110 times that of the Canada Council, the Department of National Defence could be the source of much more considerable savings than those which are suggested for it. I refer to my last intervention in the Senate on December 13 last.

Much more substantial savings can also be realised in the machinery of government itself. Moreover, the government is going ahead with useless expenditures. At Public Works, for example, the repointing of the stonework of the buildings on Parliament Hill and the excavation of the tunnel between the Centre and East Blocks might have waited for better days. After all, the Senate has foregone a new carpet without much difficulty.

Honourable senators, it seems I have gone beyond the time allowed me. I thank you for your indulgence and I ask you to reflect on the words of Shakespeare:

[*English*]

> We are such stuff as dreams are made on...

[*Translation*]

Let us not prevent Canadians from enriching the stuff of which they are woven, inspired and nourished by the cultural products and works of art which are offered by their creative artists. For the greater good of all citizens, let us prevent the degradation of the Canada Council. It concerns the very survival of our country.

[*English*]

**Hon. Noël A. Kinsella:** Will the honourable senator entertain a question?

**Senator Roux:** Yes.

**Senator Kinsella:** If the honourable senator were in the position of the Minister of Finance, from a zero-based budgeting standpoint, in light of his excellent argument this afternoon, what would be a reasonable budget in real dollars for the Canada Council in the next fiscal year?

• (1550)

**Senator Roux:** As I said in my speech, a stabilization of those amounts would be acceptable.

**Senator Kinsella:** How much?

**Senator Roux:** Honourable senators, I am sorry I do not have the exact figure. I believe it is $98.4 million but I am not sure. I may be referring to the figure for 1986. However, I could look for the exact figure.

On motion of Senator Berntson, debate adjourned.

## ONTARIO COURT GENERAL DIVISION

### MOTION TO STRIKE SPECIAL COMMITTEE TO EXAMINE AND REPORT UPON THE CONDUCT AND BEHAVIOUR OF CERTAIN OFFICERS AND JUSTICES—ORDER STANDS

On the Order:

> That a Special Committee of the Senate be constituted to examine and report upon the conduct and behaviour of certain justices and officers of the Ontario Court of Justice (General Division), where their conduct includes
>
> (i) failure to take judicial notice of the Constitution, the Law of Parliamentary Privilege, the laws of Canada pertaining to the Senate, and
>
> (ii) failure to comply with the said laws and privileges, and
>
> (iii) their other conduct related to the Constitution, the Law of Parliamentary Privilege, and the dignity of the Senate; and
>
> That the committee be further empowered to consider and report upon related matters which may concern the privileges of the Senate; and

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee; and

That the committee be composed of five members, three of whom shall constitute a quorum; and

That the Committee of Selection be instructed to decide and report upon the membership of the Special Committee.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Stand.

**Hon. Brenda M. Robertson:** Honourable senators, before we stand this motion, I would like your direction. I wish to raise a point of order on the motion when it is put. I notice that Senator Cools is not present in the chamber just now. Shall I wait until the motion is put, or should I raise my point of order this afternoon?

**The Hon. the Speaker:** Honourable senators, there is no motion before the Senate at this time. Until such time as Senator Cools moves the motion and it is read from the Chair, there is nothing before us. A debate at this point would be on an issue which is not really before the Senate.

**Senator Robertson:** Honourable senators, that is why I raised the matter because we do not have a motion before us. I trust that we will both be in the chamber at the same time. That sometimes can be difficult, but if I need to be elsewhere, I shall leave my point of order with someone else.

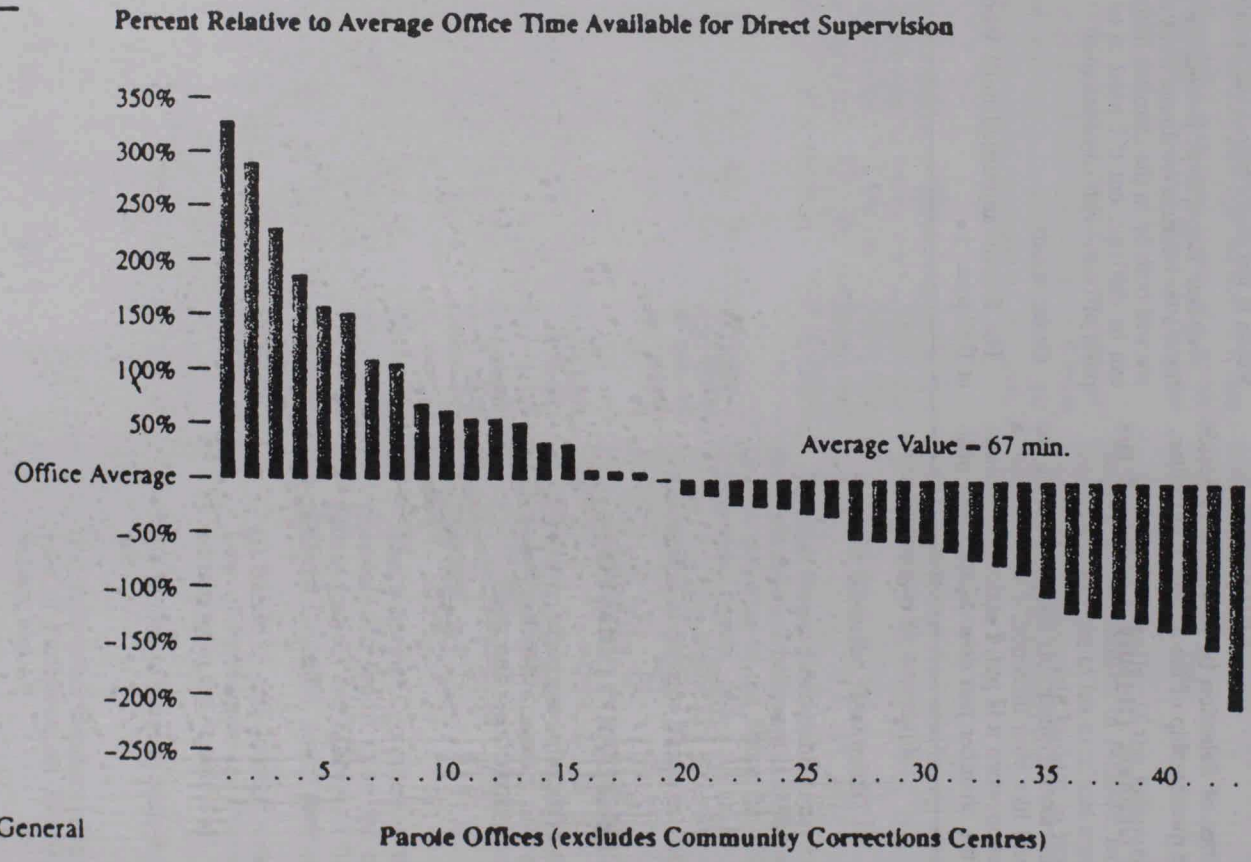
Order stands.

The Senate adjourned until Wednesday, February 15, 1995, at 1:30 p.m.

(See p. 1188)

**Exhibit 18.8**

**Variations in Time Available for Supervision Across Parole Offices**




**Source:** Office of the Auditor General

# THE SENATE

**Wednesday, February 15, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### NATIONAL FLAG OF CANADA

THIRTIETH ANNIVERSARY OF DESIGNATION AS NATIONAL EMBLEM

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, 30 years ago today, with parliamentarians assembled at the foot of the Peace Tower, as was done earlier this afternoon, 26-year old RCMP Constable Gaëtan Secours raised the first red and white maple leaf national flag of Canada. I, too, was there that day as a reporter in the Parliamentary Press Gallery covering the event. When I saw Mr. Secours today, I could not help but remember the range of emotions in play as that event took place.

After a long debate, our country finally had a flag that was distinctively its own. It was born in a tempestuous context of pride, of courage, and of truly mixed emotions — indeed, even anger — because the Red Ensign had been very close to the hearts and traditions of many Canadians.

It was also a time of change. As our country was approaching its Centennial, then Prime Minister Lester B. Pearson initiated the search for a new flag that would be a strong symbol of unity for the nation and throughout the world, and so it is today. Mr. Pearson said in the House of Commons:

> I believe we should have a national flag that stands for Canada, that flies as a symbol of Canada alone, that...

— does not —

> ... dishonour the past but looks to the future; a flag that will say one word and that word is 'Canada'.

In typically Canadian fashion, an all-party committee of the House of Commons and the Senate was struck. After holding 46 hearings, examining over 2,600 designs, listening to hours and hours of testimony by experts, historians, citizens, as well as over 250 parliamentary speeches, a new flag for Canada was proclaimed on February 15, 1965.

Honourable senators, we are tremendously honoured today to have in our gallery two gentlemen who were central to the history of that moment. They are George Stanley and John Matheson.

**Hon. Senators:** Hear, hear!

**Senator Fairbairn:** The red and white maple leaf flag that we know today reflects the design presented by Dr. Stanley, who was then Dean of the Faculty of Arts at the Royal Military College in Kingston, and later Lieutenant-Governor of the Province of New Brunswick. He had been approached and encouraged in his work by the member of Parliament for Leeds, the Honourable John Matheson, who was also a distinguished member of the joint committee on the flag and who, later, was named a judge.

[*Translation*]

Now our flag has become a symbol of freedom, excellence and generosity —

[*English*]

— of peace, of compassion, of home.

George Stanley said:

> A flag is more than a means of identification. It is the embodiment of what a country stands for: it is the symbol of the ethos or spirit of a people, its aspirations, its will to live and its determination to play its role in history.

John Matheson noted:

> Doubtless the flag stimulates more contemplation than any painting, any sculpture, any architecture in Canada. The flag is recreated daily in people's minds because it is of the spirit. Thus it is kept alive and vital and forever new.

Perhaps it is no wonder, honourable senators, that in our sentiments of warmth, comfort and affection for the flag of Canada, what we are ultimately feeling is our love of this magnificent country. That flag was a significant step in our growth, independence and evolution. Today, we remember that step, consider who we are, embrace our proud history and strive to build a future worthy of our past.

[*Translation*]

On this very day, thirty years ago, the Speaker of the Senate, Maurice Bourget, declared:

> The flag had become a pledge of Canadian unity representing all Canadians, regardless of their race, their language, their religious beliefs or their opinions.

[*English*]

• (1340)

The intervening decades have demonstrated the truth of his words, and the years ahead will only reinforce them.

Honourable senators, I am sure we join together to extend our sincere appreciation to our two visitors in the gallery for their special contribution. We offer Dr. Stanley and Ruth and Mr. Matheson and Edith all good wishes in the years ahead.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, when George M. Cohan set about celebrating the Stars and Stripes, he wrote the song, "You're a Grand Old Flag, you're a high flyin' flag."

Canadians paying their respects on the thirtieth birthday of the Maple Leaf Ensign would still have to settle for: You're a brand new flag, but higher flyin' now than seemed possible those thirty years ago when red and white, and no blue, replaced the Red Ensign, and changed the way we looked at history.

The flag debate ranged over the parliamentary precincts for the better part of 1964 and 1965, leaving a bolder imprint on Lester Pearson's prime ministership than any of his acts of worthy statesmanship. It took nerve to introduce his flag, as he did at a Winnipeg Legion convention; it took colossal nerve to stick with it as the flag's original three maple leaves shrunk to a solitary leaf, and the nation's best-known orators wore themselves out with hyperbolic gymnastics to hoist the banner and haul it down.

Looking back now, memory holds the door to an exceptional generation of Canadian politicians — not just Pearson in close combat with Diefenbaker, but veritable queues of men and women who had served in the cabinets of one or the other.

In the Commons, the Speaker interrupts the proceedings to say that Sir Winston Churchill has written to thank the house for greetings on his ninetieth birthday. In a similar break in the Senate, the Speaker praises Chubby Power on the forty-seventh anniversary of his arrival in Parliament.

John Connolly opens the Senate debate with polite recognition of Canada's debt to Great Britain. He speaks of Imperial Conferences as discussions between mother hens and chicks. But he dwells at length on the maturing influence of wars. He speaks of Canadian tenants arriving at Rideau Hall, and then says this:

> I was told a story recently by the Turkish ambassador to Canada. He was a competitor for his country at the Olympic Games at Amsterdam in 1932. He said that, in his mind's eye — and he still has a photograph of the occasion — he can still see Percy Williams of Vancouver breaking the tape in the 100-meter dash. Williams' arms were extended; he looked like the Winged Victory of Samothrace. And the trademark of the victory was the red maple leaf emblazoned on Williams' white jersey...It is a beautiful flag. It is a symbol around which we can build our hopes and in which we can centre our pride.

No one leaves at the end of Connolly's speech. They wait to hear Mr. Gratton O'Leary, who does not agree. He states:

> I think it was Voltaire who once said, "If you would converse with me, define your terms." I think, therefore, I will stick as strictly as possible to the specifics...I submit to you, sir, that the flag which was presented to us by the motion before this house is not an embodiment of our history. Oh, you ask me why I, an Irishman, should extol the Union Jack. I think it was Cardinal Newman who once said that, though England's sins have been great, her repentances were always greater. Honourable senators, whether of Irish blood or not, who could deny the proof of that, when in two world wars...England made history's greatest atonement for her sins of the past? I want some flag which will keep some vestiges of the British on it and yet also commemorate the contributions of the French and other nations.

Then, seconded by Senator Grosart, Senator O'Leary moved his amendment:

> ...that the government suspend further action on the flag in order to give the people and Parliament of Canada reasonable time to reach agreement on the flag which will incorporate symbols of the founding peoples and which will be acceptable to all elements.

It is night — a late sitting — when Orville H. Phillips joins the debate, reminding the senators of a scene in *Julius Caesar* when Brutus and Cassius are conversing before the assassination. Cassius says:

> Now in the names of all the gods at once, upon what meat does this our Caesar feed, that he is grown so great?

Says Senator Phillips:

> You will excuse me for paraphrasing this by saying: Upon what votes does this our Pearson feed that he is grown so great? Honourable senators, think of the support which was used to force this flag through the House of Commons — that unholy alliance, Mr. Caouette and Mr. Fisher. I wonder if they have that much in common with the Canadian people that this alliance should be utilized to force the flag through the other place.

The amendment is lost, 23 to 39, and first to speak to the main motion is Senator John M. Macdonald. If I may use the style of the late Senator O'Leary — I think it was Senator Macdonald who said in a most Canadian and most senatorial speech:

> Honourable senators, the hour is late and already I have taken up too much of your time. You will notice, however, that I have not in any way discussed the design of the proposed new flag. I do not intend to discuss it now. To end my speech, as a word of praise or commendation for the new design, I think I can go this far, Mr. Speaker, and say that I do not consider it to be as ugly as the original design containing three maple leaves.

Honourable senators, has ever a flag been born with such a blessing? And from a Scottish bachelor uncle who, like the grand new flag itself, now holds the esteem of both sides of this chamber.

[*Translation*]

In concluding, perhaps I may point out that Canada has only one flag, but Canadians have twelve others, one for each province and territory. Wherever you happen to be in Canada, you will see the Maple Leaf with another flag flying next to it.

This country is the sum of its diverse parts, and its citizens are proud to express their diversity by hoisting their own individual symbol next to the symbol that denotes their membership in the Canadian community.

Those who, from time to time, try to break up this kind of partnership should realize that their attempts are doomed to fail, since the vast majority of Canadians know that the strength of our federation arises from an awareness that unity and diversity are not mutually exclusive, and that the withdrawal of any member of this Canadian partnership would be fatal to all concerned.

**Hon. Marcel Prud'homme:** Honourable senators, I must say that one of the great moments of my life was when on May 17, 1964, I accompanied Mr. Pearson to Winnipeg.

I was on Radio Canada International — RDI — just now, where I said it was the worst place, the worst province — I suppose I should rephrase my remarks and say that it was certainly the hardest place to announce the advent of a new Canadian flag. At the time, only Mary MacDonald, Mrs. Pearson and I applauded, while the rest of the audience did not seem very receptive to the idea.

The debate in the Senate was also very emotional. Finally, we adopted the Canadian flag on December 15, with 38 yeas and 28 nays.

[*English*]

When I speak to students — as I just did on television, very aggressively I must say — about status quo in Canada, I do not share their belief. As an example, I say that Canada is a country in the making every day.

One of the senators who vigorously opposed the Canadian flag at that time, besides two close friends who voted against it, was a gentlemen from Saskatchewan. He vigorously opposed the Canadian flag as going against every tradition.

• (1350)

To show that Canada is always a country in the making, his very proud son carried the flag across the land. The proud son was our previous Governor General, Mr. Ray Hnatyshyn. That illustrates how Canada changes and improves with every day. We respect the past, but continue to proceed forward, showing the rest of the world that Canada is a light of hope on a troubled planet. We show the rest of the world that —

[*Translation*]

My people, the French Canadian people, exist, it is a fact, and we can join forces with other Canadians to build this country. I remember the debate in the House of Commons. In fact, other survivors of that debate are here today. For example, the senator who was a member of Parliament at the time and whom I would prefer to call "Right Honourable," Senator Allan MacEachen, was there. Senator Stewart from Nova Scotia and I were both members of Parliament then, too. We are now senators. Senator Olson, at the time a Social Credit member, was also there.

[*English*]

He voted against the proposed new flag then, along with many others. I often ask people who at that time did not see fit to vote in favour of the Canadian flag whether they would want to revert to that time and that issue that was supposed to bring an end to our country. No one dares to say, "yes."

Mr. Pearson was courageous. He could have announced the new flag in Quebec City. He would have been welcomed because at that time very few people there opposed the Canadian flag. There was a great ceremony in Quebec City chaired by an extraordinary premier and ex-member of Parliament, Mr. Jean Lesage. Last week the press reported that only 15 to 20 separatists of the day attended a small demonstration opposing the flag.

We have our flag because there was cooperation. Léon Balcer was a big help, and we must give him credit. He told the government of the day that the time had come to take a decision and to apply closure, a measure it was reluctant to use. Léon Balcer was a great Canadian who served in the Canadian navy. A member of the Progressive Conservative Party, he represented the riding of Trois-Rivières.

We must also pay tribute to Mr. Réal Caouette. In the gallery today is Mr. Caouette's faithful secretary, Madame Judy Richard, who accompanied him all his life. She has told me that Mr. Caouette was a proud French Canadian. He was sure that that flag was for all of Canada. I applaud Madame Richard, although perhaps somewhat less than my dear friend Mr. Matheson and the others, but she should be recognized whenever we think of Mr. Caouette, who played a great role in making us so proud then and now.

To those who refused to join in the celebration, I say that John Diefenbaker has always been a friend of mine. Seventy per cent of his executive asked him to be present for the official ceremony. That is a lesson to others who aspire to become Prime Minister, Leader of the Opposition, or leader of the third or fourth party, not to neglect their duty but to attend such ceremonies. We can fight, but when a democratic decision is taken, we must respect that decision. I regret very much that some people saw fit to absent themselves from the ceremony.

[*Translation*]

Honourable senators, that was my first vote. I continue to believe that it was an extraordinary decision and that when a person is courageous, he or she must not be afraid of going against public opinion.

[*English*]

As I say to students, "When you feel in your heart, your conscience and your mind that you are right, go for it, but question your mind and your soul first to determine whether you are being honest with yourself. If you are, do not be afraid. Go for it." Mr. Pearson went for it, and today we are proud to celebrate that anniversary.

## CANADA COUNCIL

CONSULTATIONS ON THE FUTURE—
RESPONSE TO QUESTION

**Hon. Jean-Louis Roux:** Honourable senators, I should like to give a precise and up-to-date answer to Senator Kinsella. After I delivered my speech on the Canada Council last evening, he asked for the amount of money voted by Parliament to the council. In 1994-1995, Parliament voted a total of $98,421,000 to the Canada Council.

## VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, one of my privileges as Speaker is to recognize visitors in the gallery. I would like to add my words of welcome to John Matheson and his wife, Edith, and to George Stanley and his wife, Ruth. They are long-time personal friends of mine, with whom I have worked over the years. Dr. Stanley has a particular association with my province. He is the leading Canadian historian regarding Louis Riel and has written about him over the years.

# ROUTINE PROCEEDINGS

## PRIVATE BILL

CERTIFIED GENERAL ACCOUNTANTS' ASSOCIATION
OF CANADA—PRESENTATION OF PETITION

**Hon. John B. Stewart:** Honourable senators, on behalf of the Honourable Senator Kirby, I have the honour to present a petition for the Certified General Accountants' Association of Canada praying for the passage of an act to amend the act of incorporation of the Certified General Accountants' Association of Canada.

## TRANSPORT AND COMMUNICATIONS

COMMITTEE AUTHORIZED TO PERMIT COVERAGE
OF MEETING BY ELECTRONIC MEDIA

**Hon. Donald H. Oliver**, with leave of the Senate and notwithstanding rule 58(1)(*f*), moved:

> That the Senate do empower the Standing Senate Committee on Transport and Communications to permit coverage by the electronic media of its public meeting on Wednesday, February 15, 1995, for the purpose of hearing the Honourable Michel Dupuy, P.C., the Minister of Canadian Heritage, with the least possible disruption of the hearing.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

• (1400)

COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

**Hon. Donald H. Oliver:** Honourable senators, my second motion is motivated by an abundance of caution, in the event that the Senate does not rise by 3:15 p.m. today. With leave of the Senate and notwithstanding rule 58(1)(*a*), I move:

> That the Standing Senate Committee on Transport and Communications have power to sit at 3:15 p.m., Wednesday, February 15, 1995, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## BUSINESS OF THE SENATE

NOTICES OF INQUIRIES NOS. 30 AND 31 REINSTATED
NOTWITHSTANDING RULE 27(3)

**Hon. H. A. Olson:** Honourable senators, I have standing in my name on the Order Paper two Notices of Inquiries. They are Nos. 30 and 31. Honourable senators will notice they have the number "15" in brackets beside them, which means that, unless I speak to them, they will be dropped from the Order Paper after today.

A number of outstanding matters are still not completely resolved in relation to these inquiries. I am referring to the rules, regulations and other arrangements as a result of both the NAFTA and the GATT agreements insofar as they are concerned with agriculture. Therefore I wish to leave these inquiries on the Order Paper so that if and when it is necessary for us to debate this subject, notice will have been given.

I ask, therefore, that these items be reinstated on the Order Paper, because a great deal of work will be done between now and July 1 when some of these matters are expected to be finalized. If the notices of such inquiries are on the Order Paper at that time, then I will not have to start over at square one.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

## AGRICULTURE

CANADIAN WHEAT BOARD—GRANTING OF MONOPOLY POWERS
FOR THE EXPORT MARKETING OF ALL GRAINS AND OILSEEDS—
PRESENTATION OF PETITION

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I have a petition signed by 50 people from Manitoba and Saskatchewan. It reads as follows:

We, the undersigned citizens of Canada, draw the attention of the House to the following:

That a very vocal minority of citizens are requesting Parliament institute a dual marketing system for wheat and barley to export.

Therefore, your petitioners request that Parliament continue to give the Canadian Wheat Board monopoly powers in marketing wheat and barley to export. Your petitioners also request that Parliament expand further Canadian Wheat Board marketing monopoly powers to include all grains and oilseeds.

## EUTHANASIA AND ASSISTED SUICIDE

ENFORCEMENT OF CURRENT CRIMINAL CODE PROVISIONS—PRESENTATION OF PETITION

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I have a second petition signed by Canadians, mostly from the Saskatoon and surrounding area. It reads as follows:

TO THE HONOURABLE SENATE OF CANADA IN PARLIAMENT ASSEMBLED.

The PETITION of the undersigned, residents of Canada,

Humbly sheweth:

THAT the majority of Canadians are law-abiding citizens who respect the law.

THAT the majority of Canadians respect the sanctity of human life.

THAT the majority of Canadians believe that physicians in Canada should be working to save lives, not to end them.

THEREFORE your petitioners pray that: 1) Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously, and that; 2) Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

AND as in duty bound your petitioners will ever pray.

## HAZARDOUS PRODUCTS ACT

PRESENTATION OF PETITION

**Hon. Mira Spivak:** Honourable senators, I have the honour to present some petitions from concerned Canadians, asking for the removal of the exemption for tobacco from the Hazardous Products Act.

# QUESTION PERIOD

## DELAYED ANSWER TO ORAL QUESTION

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on October 4, 1994, by the Honourable Senator Spivak regarding the study of low-level military flights in Labrador.

## THE ENVIRONMENT

STUDY OF LOW-LEVEL MILITARY FLIGHTS IN LABRADOR—GOVERNMENT RESPONSE TO CRITICISM OF PROCESS

*(Response to question raised by Hon. Mira Spivak on October 4, 1994)*

The environmental assessment panel hired seven technical experts and asked each expert to do two things. The first was to review the revised Environmental Impact Statement submitted to the panel by the Department of National Defence, and provide written comments on the adequacy of the document with respect to the expert's area of expertise. The second was to make a presentation at the public hearings, commenting on the predicted impacts of the proposed project and on the proposed mitigation measures, with respect to the expert's area of expertise.

All seven experts were requested to do the same tasks, within their area of expertise. No expert was asked to comment on an area for which they did not possess expertise.

The 1987 Guidelines document referred to in the question was a document, produced by the panel, that outlined information requirements for the Department of National Defence to use in preparing its Environmental Impact Statement. After conducting a thorough review of the first Environmental Impact Statement submitted by National Defence in 1989, the panel concluded that the document was deficient, and issued a deficiency statement.

After conducting a thorough review of the revised Environmental Impact Statement submitted by DND in April 1994, the panel concluded that the information was a sufficient basis for meaningful discussion at public hearings, provided certain additional information was provided by the Department of National Defence. The panel held public hearings from September 19 to October 29. Approximately 3,200 people attended the 34 sessions held in 14 communities in Labrador and Quebec. The panel will be submitting its report at the end of February.

This environmental assessment panel is conducting the review in an impartial and fair manner that fully respects the principles of the federal Environmental Assessment and Review Process Guidelines Order of 1984.

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

FISHERIES—SPECIES AND CONFIGURATION OF FISH EXPORTED TO JAPAN

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 58 on the Order Paper—by Senator Berntson.

SOLICITOR GENERAL—CUMULATIVE TOTAL OF FIREARMS RECOVERED BY RCMP

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 60 on the Order Paper—by Senator Berntson.

CANADIAN HERITAGE—RESPONSIBILITIES IN RELATION TO CANADIAN VETERANS AND WAR MEMORIALS

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 64 on the Order Paper—by Senator Berntson.

VETERANS INDEPENDENCE PROGRAM— ELIGIBILITY OF VETERANS RESIDING ABROAD

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 67 on the Order Paper—by Senator Berntson.

FACING THE CHALLENGE OF CHANGE: A STUDY OF THE ATLANTIC ECONOMY—DETAILS OF COSTS AND AUTHORS OF STUDY

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 70 on the Order Paper—by Senator Berntson.

THE VALOUR AND THE HORROR— AMOUNT AND TERMS OF LOANS TO PRODUCERS

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 68 on the Order Paper—by Senator Phillips.

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# ORDERS OF THE DAY

## DEPARTMENT OF INDUSTRY BILL

THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved third reading of Bill C-46, to establish the Department of Industry and to amend and repeal certain other Acts.

Motion agreed to and bill read third time and passed.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SEVENTEENTH REPORT OF COMMITTEE— DEBATE ADJOURNED

The Senate proceeded to consideration of the seventeenth report of the Standing Committee on Internal Economy, Budgets and Administration (Parliamentary Associations), presented in the Senate on February 14, 1995.

**Hon. Earl A. Hastings** moved the adoption of the report.

He said: Honourable senators, the seventeenth report of the Standing Committee on Internal Economy, Budgets and Administration, dedicated as it is primarily to the administration of parliamentary associations, really had its genesis in a report of the Auditor General in 1992 when he examined inter-parliamentary relations. At that time, he reported that the current problems stem from poor communication and insufficiently timely Senate input in the decision-making process.

He also stated that the Senate committee does not have final input in the early stages of the budget process, but instead has input only at the end when deciding whether to approve the Senate's financial contribution to the operation of the directorates. In other words, the Senate has no participation in the administration other than the mailing of cheques when requested.

There have been other reports, observations and responses over the years with respect to inter-parliamentary associations. One such report was produced by our colleague Senator Prud'homme, when he was a member of the House of Commons. He will see many of his musings in our recommendations.

The report also flows from the leadership of the Speaker in the House of Commons, Gilbert Parent, and the former Speaker of the Senate, Roméo LeBlanc, who together were in the process of establishing a cooperative communication process between the two houses with respect to inter-parliamentary services. In saying that, I have no reason to believe that the situation will be otherwise in the future.

From those beginnings came the current initiative, which was taken in June of 1994 when the Board of Internal Economy in the House of Commons proposed some sweeping reforms and changes with respect to the administration of parliamentary associations, and sought Senate concurrence in that initiative. We examined the initiative over the summer and made a response on September 6, in which we recommended further changes and improvements to the initiative which would, in all cases, enhance Senate participation and representation.

Finally, on November 1, we were successful in appointing Mr. Gary O'Brien of the Committees Branch and Mr. Timothy Wilson, Clerk of the Internal Economy Committee, to engage in negotiations with their counterparts in the other place. As a result of those negotiations and the other initiatives I have outlined, honourable senators have before them the report which we believe goes a long way in answering the criticism of many with respect to the administration of these associations.

The first recommendation is the appointment of a joint inter-parliamentary council on parliamentary associations. The membership of the council would consist of seven members, two from the Senate and five from the House of Commons.

I note there have been some observations in the Senate as to why we should have only two members while five are suggested from the House of Commons. It has been the time-honoured tradition of this Parliament that there be a 70-30 per cent split with respect to delegations and the financing of joint committees. We agree it should be used in this case because it will operate and function as an inter-parliamentary committee. That is to say, there will be joint chairmen and joint clerks. We feel that that is adequate representation on the council, and it is what we recommend in our report.

The powers of the council will be to determine all budgetary and administrative needs relating to parliamentary associations, to review expenditures, identify surpluses, authorize reallocations and special conference budgets. It will coordinate the activities and determine operating policies, as well as appoint subgroups as may be necessary.

• (1410)

The second recommendation, of course, is the four-and-four proposal which gives to the Senate authority over the operations of four of the eight parliamentary associations. We will be responsible for the Inter-Parliamentary Union, the North Atlantic Assembly, Canada-Europe Parliamentary Association, and the Canada-France Inter-Parliamentary Association.

The House of Commons will be responsible for the Commonwealth Parliamentary Association, the International Assembly of French-Speaking Parliamentarians, Canada-United States Inter-Parliamentary Group and Canada-Japan Inter-Parliamentary Group.

We feel that we can adequately carry on the administration of these four associations which shall be assigned to us. We propose that they be administerd under the direction of the Committees Branch. We can undertake this responsibility at no extra cost to the Senate. It will offer to our staff and to our administrators career-enhancing opportunities.

We will be responsible for 100 per cent of the travel costs of senators on all eight associations or groups, and for 100 per cent of the program costs of the four associations we administer.

We have established the fact that we can operate this way and that our proposal will involve no additional costs to the Senate. We believe we can enhance the participation of the Senate by assuming the responsibility for these four associations and by playing our part in the council that is to be established.

Honourable senators, two of the other matters before you relate to the proposal that all travel be based on APEX fares or the lowest fares available with respect to travelling delegations, and to the proposal that there be no spousal participation except according to a strict protocol to be established.

The final recommendation requests the Senate to amend its rules to provide for the mandatory reporting of returning delegations to delegations that will be travelling out, and, in addition, to include a provision that they put in any such report comments on the financial expenditures.

Honourable senators, I am asking that you adopt this report. If adopted, we will take a bold step forward in the administration of parliamentary associations. It will assure the Senate an active role in the administration of these associations through the council and through our duties in operating the four associations, and offer to our staff career-enhancing opportunities.

Most important, if we adopt this procedure and join the House of Commons in this undertaking, it will grant to the public and to Parliament the accountability and the transparency that has been demanded with respect to the operation of parliamentary associations. I recommend it to you for your consideration and adoption by the Senate.

**Hon. Lowell Murray:** Honourable senators, I wish to ask a question of the Chairman of the committee. On the last sitting day before the Christmas recess, the Deputy Chairman of the committee, Senator Di Nino, tabled some documentation on this matter. I do not have the documents in front of me at the moment; however, I remember quite clearly that the documents, which I believe had originated with the House of Commons Board of Internal Economy, specified that, in future, parliamentary associations would not be allowed to contract for outside professional services; for example, research services.

My honourable friend has not mentioned that provision in his presentation today. I should like to know the status of that matter as it applies to all of the parliamentary organizations, especially those that will be run from the Senate.

**Senator Hastings:** Honourable senators, I did not refer to that provision, which was issued in a press release by the Board of Internal Economy. I am really not responsible for their press releases. However, the Senate was not consulted on that matter and we never commented upon it. Therefore, we have not agreed to it. It is one matter among others that must be resolved when we move this council into operation. That will probably be one of the first issues to be discussed.

I repeat, the Senate did not agree to that provision. It was an initiative of the Board of Internal Economy, and not the Senate.

**Senator Murray:** I thank the chairman for that reply. I take it this is a matter that has yet to be determined and that the inter-parliamentary associations are not bound by the provision in that press release to which I referred. In any case, since the chairman has told us that it is a matter that will be discussed at the council, let me take a few seconds of his time, and the time of the Senate, to express a view on this matter.

• (1420)

I think it is going too far for the Board of Internal Economy in the other place — or our own committee, for that matter — to try to regulate in such detail the activities of the inter-parliamentary associations. It is only fair that those associations should be

asked to accept certain financial realities and fiscal disciplines, as we all must do. However, within those budgets and within the budget ceilings that are fixed, surely a parliamentary association, depending on its circumstances, should have the right to decide whether it needs to contract for outside professional services, such as research, or whether it can make do with the information supplied by the relevant government department or by the parliamentary library.

While I share the hope of the honourable chairman that this is a great step forward and that the administration of these associations will be improved, as one senator who is no longer active in these associations but was some years ago, I should like to caution the chairman that senators and members of the House of Commons who are members of these organizations are surely mature enough and responsible enough to make their own decisions on the allocation of their budgets, always respecting the ceilings that have been imposed by the respective chambers.

**Senator Hastings:** I agree wholeheartedly with what the Honourable Senator Murray has just said.

Honourable senators, Canadian parliamentarians have made a contribution in these associations to the extent that we enjoy a representation far greater, sometimes, than we really deserve. The reason we are able to participate with our colleagues in other parliaments is the advance support we have received in research and the support at the meeting. I agree that each association should have the ability to decide what research or what support it needs.

Honourable senators, I would anticipate that each association will come forward with a budget, an activity report for the future year. They will indicate, as our Senate committees indicate, where the money will be spent. If they wish to spend it on research and the money is available, they may do so. If they wish to spend it on travel, it is up to the individual committees to make that decision, and thus make their own presentations to the council.

On motion of Senator Berntson, for Senator Di Nino, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Thursday, February 16, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### LITERACY ACTION DAY ON PARLIAMENT HILL

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I rise today to draw to your attention the fact that this is Literacy Action Day on Parliament Hill. Throughout the day, representatives from five major literacy organizations in Canada are carrying on discussions and consultations with people in the House of Commons and, I hope, with people in the Senate. They include ABC Canada, the Fédération canadienne pour l'alphabétisation en français, Frontier College, Laubach Literacy of Canada, and the Movement for Canadian Literacy which has organized the day.

Representatives from these organizations have been meeting with representatives on Parliament Hill to try to promote literacy awareness and to inform us of the good work that is being done in the field of literacy across this country. They are also telling our colleagues about the struggle to raise literacy levels in Canada, its challenges and the ongoing and fundamental nature of the issue which is essential for a strong democracy.

Basic literacy skills enable individuals to understand and to participate actively in the democratic process. Therefore, what better place than Parliament Hill to have an awareness day?

The theme of this year's action day is the celebration of the first half of the decade following the creation by the government of my friends' opposite of the National Literacy Secretariat, an organization which came into being around the time of International Literacy Year.

There is much to celebrate. Literacy has moved up substantially on the agendas of governments, business and labour, but we have a long way to go before there will be a broad and extensive knowledge and understanding among the public of Canada about the importance and the reality of this issue.

I know that many here today have been supportive of this issue. I thank you for that, and I hope you will continue. I wish to invite each and every one of you to attend a reception, of which I think you have received notice, being held in Room 256-S this afternoon from 3:30 to 5:00 p.m. The people who have been working on the Hill today will be there. They will want to talk to you, as well as to colleagues from the other side. Attendance by as many of you as possible would be greatly appreciated.

**Hon. Noël A. Kinsella:** Honourable senators, we welcome the statement by the Honourable Leader of the Government in the Senate, who is also the minister responsible for literacy. The shared duties which the minister has might underscore in a very special way the importance of this particular area of government initiative for this particular chamber. We, too, have taken note of this special day.

Honourable senators, we must recognize that in this country a more concerted effort is required if we are to combat the terrible situation we have. Our country numbers among the G-7, yet the rate of literacy in many quarters is quite embarrassing and is a drain on the country. We join with the minister in recognizing the terrific efforts of the national literacy groups which are on the Hill today representing, in a sense, 38 per cent of adult Canadians who may be deemed illiterate.

I should like to comment on a matter of related concern. A Decima survey shows that 75 per cent of Canadians believe that government information programs, our own services, are too difficult to understand. The National Literacy Secretariat, to which the minister has referred, has suggested that "plain language" be used to remedy the situation.

Yet, on page 82 of the report of the standing committee of the House of Commons studying social policy reform is a one-sentence literacy recommendation which contains 50 words, and is difficult to understand. Honourable senators, a variety of analyses has been performed on the readability level of that recommendation and I should like to list some of the findings.

• (1410)

The Flesch-Kincaid Grade Level Analysis, wherein a readability score of between grade 6 and 10 is considered most effective, rated the literacy recommendation as being appropriate for someone with "grade 28"; in other words, 28 years of schooling, to be able to understand what that recommendation means. On the Flesch Reading Ease Scale, wherein the lower the score the more difficult the writing is to read, the literacy recommendation rated a zero.

On the Gunnings Fog Index, which is a measure of the appropriate grade level that a reader must have achieved in order to understand a document, the literacy recommendation rated a 32; in other words, 32 years of schooling necessary to be able to understand what the government is saying — or rather what they are not saying — on an issue of fundamental importance.

Honourable senators, perhaps a directive would be warranted, issued by our colleague the Minister with special responsibility for Literacy to government departments and to parliamentary committees, inviting them to use plain language.

**Some Hon. Senators:** Hear, hear!

## THE ECONOMY

REDUCTION IN FEDERAL DEFICIT

**Hon. H.A. Olson:** Honourable senators, I have in my hand a publication which arrived in our office yesterday called *The Fiscal Monitor*. Nobody asks about that publication anymore, but I wanted to make sure that the senators opposite, particularly the Leader of the Opposition, and probably even more particularly Senator Murray, are still reading this little publication because they used to take a great interest in it.

In keeping with the new Canadian way of doing things, which is to give good news a chance, I thought I might remind senators opposite that the deficit from April to December, 1994, is down by $6 billion. That is good news for Canadians. The article goes on to point out some details, one of which is that program spending was down by $1.3 billion in this period. Furthermore — and this is a most unusual change — the deficit outlook for 1994-95 will be lower than forecast; something which I do not think has happened in the last 12 or 15 years.

I want to bring this information to the attention of honourable senators opposite so that they can join with us in making sure that Canadians know about this terrifically good news.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I, too, would like to comment on the very encouraging results, news of which has just been given to us by Senator Olson, particularly as *The Fiscal Monitor*, which is a Department of Finance publication, gives much of the credit to the effect of the December 1992 economic and fiscal statement, which was delivered by a Conservative Minister of Finance.

I want to remind all honourable senators that all of the measures which were legislated arising from that statement were voted against by the Liberals in this chamber, as well as in the other one. Despite that, the Liberals are now adopting those measures, which is confirmation from the other side that what we did, we did well.

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# ROUTINE PROCEEDINGS

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

EIGHTEENTH REPORT OF COMMITTEE PRESENTED

**Hon. Earl A. Hastings**, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, February 16, 1995

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

EIGHTEENTH REPORT

Your Committee received and considered a staff report entitled: "Task Force on the Internet."

Your Committee recommends Senate participation in the Parliamentary Internet project.

Respectfully submitted,

EARL A. HASTINGS
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Hastings, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday, February 21, 1995 at two o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## PRIVATE BILL

CERTIFIED GENERAL ACCOUNTANTS' ASSOCIATION— FIRST READING

**Hon. John Stewart**, for the Honourable Michael Kirby, presented Bill S-8, to amend the Act of Incorporation of the Certified General Accountants' Association of Canada.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Stewart, for Senator Kirby, bill placed on the Orders of the Day for second reading on Tuesday, February 28, 1995.

## REVIEWING CANADA'S FOREIGN POLICY

NOTICE OF MOTION TO PRINT VOLUME I OF SPECIAL JOINT COMMITTEE REPORT

**Hon. Allan J. MacEachen:** Honourable senators, I give notice that on Tuesday, February 21, 1995, I shall move:

> That the Senate order the printing, in its original format, of 500 copies of Volume 1 of the Report of the Special Joint Committee Reviewing Canada's Foreign Policy entitled, "Canada's Foreign Policy: Principles and Priorities for the Future"; and
>
> That an amount not exceeding $7,500 be allocated for that purpose.

[*Translation*]

RESPONSE OF GOVERNMENT TO REPORT OF SPECIAL JOINT COMMITTEE—NOTICE OF INQUIRY

**Hon. Jean-Robert Gauthier:** Honourable senators, I give notice that on Thursday, February 23, 1995, I will call the attention of the Senate to the government response to the recommendations of the Special Joint Committee Reviewing Canada's Foreign Policy, tabled in the Senate on February 14, 1995.

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[*English*]

# QUESTION PERIOD

## HUMAN RESOURCES DEVELOPMENT

RECOMMENDATION OF COMMITTEE REPORT CONCERNING LITERACY—GOVERNMENT POSITION

**Hon. Noël A. Kinsella:** Honourable senators, given that today is a special day to focus on literacy, my question to the Leader of the Government in the Senate, who is also the Minister with special responsibility for Literacy, relates to the report of the Standing Committee on Human Resources Development in the other place entitled, "Security Opportunities and Fairness — Canadians Renewing Their Social Programs" in which the committee recommends that:

> ...the federal government continue its commitment to the recognition of a right to literacy training based on principles such as accessibility of programs, learner-centred programming, recognition of prior learning for transferability between levels of programs, and quality standards that are also applicable to learning in general.

• (1420)

That is the recommendation. Will the minister advise the Senate whether she and the government intend to accept that recommendation?

**Senator Berntson:** Please tell us what it means.

**Hon. Joyce Fairbairn (Leader of the Government):** I thank the honourable senator for drawing the attention of the Senate to that recommendation. That report, as he knows, has been presented in the House of Commons and is before the minister and the government for consideration under the whole ongoing question of social policy review. Many of the points in that recommendation are now, and will continue to be, the building blocks for the federal government in developing, in partnership with the provinces, national organizations, business and labour, the kinds of projects that will have the maximum positive effect on those who are targetted.

I know that the Minister of Human Resources Development has a very sympathetic attitude towards the issue of literacy. In fact, in his policy document put out last fall, he recognized literacy as the foundation for life-long learning; that without basic literacy there is very little else one can achieve in terms of life-long learning. The whole issue took up a major portion of that discussion document, particularly in terms of the workplace and in terms of accelerating learning and training. I was delighted that the committee chose to highlight literacy in one of its recommendations, and I will certainly be working with my colleague Mr. Axworthy to get maximum participation from him and the government on this issue.

In recognition of my honourable friend's statement earlier on the question of "plain language," the literacy secretariat has put out a small publication on "plain language" and is working on further efforts towards that end in the Public Service of Canada. Obviously we have a long way to go.

A few years ago, when the massive documents of the free trade agreement came out, Frontier College examined them and determined that, at best, 11 per cent of Canadians would not have any notion at all of what was in that very important document. That estimate was probably high. However, there is a long way to go, particularly if it is difficult to properly communicate a recommendation on the question of literacy itself.

## AGRICULTURE

IMPOSITION OF U.S. IMPORT TAX ON CANADIAN SUGAR PRODUCTS—DISSCUSSION WITH PRESIDENT DURING UPCOMING VISIT

**Hon. Leonard J. Gustafson:** Honourable senators, my question is to the Leader of the Government in the Senate regarding an agricultural matter. The minister knows that there are a number of ongoing disputes between Canada and the United States on agricultural issues. Despite the free trade agreement, the U.S. recently imposed tariffs on Canadian sugar and sugar-containing products. As well, the Americans are challenging the tariff schedule on eggs, poultry and dairy products which Canada has introduced according to the new GATT agreement. Last summer, our two countries reached an agreement on durum wheat which included a so-called "peace clause"; yet the U.S. continues to attack the Canadian Wheat Board, and recently announced that an end-use certificate would be required to import Canadian wheat.

Can the minister give us some assurance that the Prime Minister will raise these issues when he meets with the President of the United States next week in Ottawa?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I can say, "You bet." The honourable senator is absolutely right in bringing this issue before us. These have been extremely trying subjects between our two countries in the last year or year and a half. The Canadian government has been very forthright in its contacts recently and over the past several months with the United States through the Honourable Roy MacLaren, Minister for International Trade, and the Honourable Ralph Goodale, Minister of Agriculture.

On the question of supply management, the Americans have asked Canada for consultation or discussion on that issue, and it is anticipated that those discussions will go ahead. They have not called for a panel hearing under NAFTA, but for a discussion. Only one week ago, Mr. MacLaren and Mr. Goodale asked for a similar discussion on the whole issue of sugar and sugar-containing products.

My honourable friend knows that I have an active interest in that particular area of dispute, and I assure him that next week these issues will be front and centre with ministers and the Prime Minister in the whole discussion of bilateral trade.

On the sugar issue, Mr. Goodale wants to hold discussions with the new Secretary of Agriculture on the question of reopening negotiations to get the sugar discussions back on track. It is understandable why they have not yet occurred. We are awaiting the confirmation of that appointment by the United States Senate.

The ministers have also been looking at other options for discussion and perhaps challenges both at the governmental level and the industry level, should there be a stalemate. In the House of Commons on Tuesday, the Prime Minister was asked whether this issue would be a topic of conversation with the President, and his answer, as I recall it, was quite succinct. He said, "The short answer to that is 'oui'."

**Senator Gustafson:** Honourable senators, I am pleased to hear that the Prime Minister will be taking this matter up with the President of the United States.

It appears to me by the actions of the U.S. Government that althought they have signed a free trade agreement, there is some question as to whether they believe in the agreement they signed. The most recent indication is a suggestion by the President of the United States that there be a head tax at the border. Naturally, our agricultural people are very concerned about these issues, and I cannot emphasize enough the importance of these concerns being addressed at the meeting next week.

**Senator Fairbairn:** I appreciate my friend's concern, and I share it. It truly is a daily preoccupation, certainly with myself.

Senator Robertson raised a question the other day on the issue of the border fee. At the end of Question Period, I had planned to advise honourable senators that this issue will be discussed with the President when he is here next week. As you know, Canada has already expressed serious concern about this development. Canadians and Americans have been moving freely across the border for 100 years or longer. Almost 100 million people enter the U.S. from Canada every year. It is a serious consideration. I understand there is strong opposition in Congress to the imposition of such a fee. It is our hope that the proposal will be dropped by Congress and the administration before there is any question of passing legislation.

• (1430)

## TRANSPORT

### ABOLITION OF ATLANTIC REGION FREIGHT ASSISTANCE— POSSIBILITY OF NOTICE TO STAKEHOLDERS

**Hon. J. Michael Forrestall:** Honourable senators, a number of questions have arisen, quite understandably I suppose, on the heels of Transport Minister Young's statement on CBC's *Morningside* on February 7 last, in which he said quite clearly, "Transport Canada is out of the business of subsidies and we'll be out of ARFAA and MFRA in Atlantic Canada."

My concern is twofold. First, that proposal was taken somewhat unilaterally on the part of the minister. Honourable senators will recognize that it comes as a bit of a shock to people who had been led to believe, as a result of correspondence received late last fall, that there would be ample notice, that the changes would be reasonable and fair, and that they would address the difficult and grave hardships such a measure would impose upon the some 14,000 to 15,000 workers in Atlantic Canada whose goods and products must be transported to Ontario and Western Canada for sale. Such a move will be disastrous for them. Indeed, it will put them out of business. This move, together with the continuing difficulties with sugar, will place great strains on the economy of Atlantic Canada.

Will the Leader of the Government in the Senate indicate whether or not the statement by the minister should be taken as formal notice to the stakeholders in Atlantic Canada? If she is not aware of the situation herself, perhaps, as a result of cabinet discussions, will she determine what plans, if any, the government may have to offset the elimination of the Maritime Freight Rates Act and the ARFAA?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I do not want to venture into this important issue without first talking to the Minister of Transport, the Honourable Doug Young. I will transmit the substance of the honourable senator's questions to him.

Having lived side-by-side with beet producers all my life, I am aware of the issues surrounding sugar and sugar-containing products. I know it is an issue that stretches across this country. It is of concern not just to producers and factories but to the refiners and the companies which market the products. It is a big issue, and that is one of the reasons some of us are extremely concerned about it. We will continue to be concerned about it.

## NATIONAL DEFENCE

PROPORTION OF NON-MILITARY ITEMS IN DEPARTMENTAL BUDGET—GOVERNMENT POSITION—REQUEST FOR ANSWER

**Hon. John Sylvain:** Honourable senators, my questions are for the Leader of the Government in the Senate. First, when may I expect an answer to the question I posed on November 29 concerning the budget of the Department of National Defence? I know it is a tough question and will probably take some "beavering" to get the numbers.

PEACEKEEPING COSTS CHARGED TO DEPARTMENTAL BUDGET—GOVERNMENT POSTION

**Hon. John Sylvain:** Honourable senators, I do not expect an answer to my other questions today, either. I think finding answers to them will take a bit of "beavering" as well.

I am told that the costs to maintain our peacekeeping forces are paid out of the budget of the Department of National Defence, which are then billed to the UN. It seems that the UN would then refund Canada according to its scales, which are often below Canada's scales. However, the refunds received are then deposited into the Consolidated Revenue Fund instead of being credited to the budget of the Department of National Defence.

Will the Leader of the Government confirm whether that is indeed the procedure that is followed? If it is the procedure, why is this amount not credited to the budget of the Department of National Defence? If it is not done in that way, then will some changes be made in the upcoming budget?

Going back to the "beavering" part of all this, will the Leader of the Government provide to the Senate the total amount charged against the budget of the Department of National Defence from the beginning of the Croatia-Bosnia operations to year-end 1994? Of this amount, will she inform the Senate what part of it has been charged to the UN? How much have we received from the UN against the particular submissions we have made?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, Senator Sylvain, too, must have been "beavering" away to research the background to the questions he has asked. I will convey them to the Minister of National Defence and get a response for the honourable senator as quickly as possible.

When I get back to the office today I will attempt to find the answer to the question the honourable senator asked on November 29 last.

## HEALTH

HIV INFECTION IN WOMEN—REPORTED INCREASE IN RATE—APPLICATION OF DISCRETIONARY PORTION OF DEPARTMENTAL BUDGET—GOVERNMENT POSITION

**Hon. Brenda M. Robertson:** Honourable senators, I wish to ask the Leader of the Government in the Senate a couple of quick questions. I am sure the minister has read the headline in *The Ottawa Citizen* this morning concerning the increase in HIV rates in women. The demand for action in such circumstances should be rather obvious.

Recently, the Minister of Health, who has the discretionary power to use $1.5 million on short-term HIV needs, refused to give Canadians an assurance that her department is prepared to make use of the department's discretionary allocation. How can her position be reconciled with this latest information on the increase in the rate of HIV infection in women? I find that a bit incredible.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am aware of the stories in the newspaper. They are of tremendous concern. I will try to obtain that information for the honourable senator as quickly as possible.

## AGRICULTURE

POTATO BLIGHT IN NEW BRUNSWICK—COMPENSATION FOR DAMAGES SUSTAINED BY GROWERS—GOVERNMENT POSITION

**Hon. Brenda M. Robertson:** Honourable senators, the New Brunswick Minister of Agriculture stated in our provincial legislature on Friday, February 10, that his department has completed the damage assessment in connection with the late potato blight of last year. He stated that at least 10 per cent of the potato crop was lost because of this late blight. The affected growers are waiting for a response from the federal government, since negotiations have been going on between the province and the federal government respecting compensation. Will the Leader of the Government in the Senate inform us as to when the affected growers can expect a federal decision on compensation? They are rather anxious in this regard.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to get the information from the Minister of Agriculture.

## GOODS AND SERVICES TAX

REMOVAL OF TAX ON READING MATERIALS—GOVERNMENT POSITION

**Hon. Mabel M. DeWare:** Honourable senators, I would direct my question to the Leader of the Government in the Senate. It concerns the question of literacy. When it comes to literacy and the key component of it is reading materials, the refrain from our friends opposite has been consistent: In 1990, the Liberals vowed that once they were in power, the GST would be removed from all reading materials. This policy was reaffirmed in 1992 at a major party policy conference that set the blueprint for the return to Ottawa of the Liberal government.

If memory serves me well, the Leader of the Government in the Senate, while in opposition, was quite vocal on the subject, as were the rest of her colleagues. After the election, she continued to state publicly that the fight to have the tax removed would go on.

• (1440)

Today, however, the election is but a memory — and so, it seems, is the Liberal's promise. Even on this very special day for literacy, the minister's response is silence — not to mention the deafening silence from the Minister of Finance, who has the perfect opportunity in his budget to take action in this regard.

My question is this: Given that this is Literacy Action Day, would the minister confirm that her government will live up to its promise and remove any federal taxation from reading materials?

**Hon. Joyce Fairbairn (Leader of the Government):** I should like to be able to do that, honourable senators. The fight will go on. As I have said before in this chamber, the GST certainly has not been forgotten.

Honourable senators, we are still working with the provinces, hopefully towards a joint federal-provincial solution. That is the preferred option, as all my honourable friends know. Those discussions are continuing. I am told by the Minister of Finance that progress, so far, is encouraging.

Honourable senators, when discussions have proceeded along the way, you can rest assured that I will be arguing, as I have consistently, on behalf of the literacy movement and against the tax on books.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I have a supplementary question, if I may.

Do I understand from the minister's answer that negotiations are going on with the provinces in this regard, and that the minister is confirming that this government is intending to keep the GST?

**Senator Fairbairn:** No, my honourable friend cannot make that assumption. Honourable senators, we remain committed to replacing the GST with a tax system that is fairer, simpler and more efficient. It is in that regard that the discussions are proceeding with the provinces.

**Senator Lynch-Staunton:** Then we will have it for a while yet.

**Senator DeWare:** As a solution, perhaps the Leader of the Government in the Senate would support the passage of Bill S-14. That was a bill that was introduced by your former colleague Senator Frith which would exempt all reading materials from this tax. That is an option that you have.

**Senator Fairbairn:** Honourable senators, I will continue to draw to the attention of the Minister of Finance the concerns and fervently held views of my honourable friend on this issue. All of it is helpful.

**Senator Lynch-Staunton:** They are your concerns, too.

**Senator Fairbairn:** The Minister of Finance is constantly made aware of my concerns.

**Senator Lynch-Staunton:** You are talking for yourself. We are not at the cabinet table any more.

## HUMAN RESOURCES DEVELOPMENT

### NATIONAL LITERACY SECRETARIAT—IMPORTANCE OF PROGRAM CONTINUITY AND VOLUNTEER PARTICIPATION—GOVERNMENT POSITION

**Hon. Ethel Cochrane:** Honourable senators, on February 14, the minister responsible for literacy assured us that the National Literacy Secretariat was being very careful to assess programs presently in existence in order not to waste resources in areas which are not productive. The minister stressed this because of the limited resources with which the department is faced.

As honourable senators are aware, most of our country's literacy programs depend almost exclusively on volunteers. Students for Literacy is an excellent example of a volunteer program that has been started at many universities across this country. Their method is to encourage one-on-one tutoring: an extremely effective way for people to improve their literacy skills. At McGill University in the current academic year, there was an enrollment of 50 student-tutor matches. Last year, this same program had 86 student-tutor matches. Why the decline in participation?

Honourable senators, since the organization is based on volunteers, there is an unfortunate turnover in the administration. These year-to-year changes do not provide the program with adequate continuity. Perhaps a full-time, paid coordinator could be the solution to this dilemma. Instead, 36 Canadians were not given the opportunity to improve their literacy skills, and 36 volunteers were turned away.

Does the minister's plan for literacy involve a strong volunteer component? If so, is the minister and her department examining what can be done in situations such as the one that I have described?

**Hon. Joyce Fairbairn (Leader of the Government):** I thank Senator Cochrane for her question. The answer is that the government, myself as minister, and the National Literacy Secretariat in particular, are very supportive of the volunteer sector on this particular issue. It is the army that fuels activity across the country.

One of the most outstanding organizations for volunteers on literacy, as the senator well knows, is LAUBACH. That organization is strongly supported by the National Literacy Secretariat and the program. LAUBACH has a strong interest in the one-on-one tutoring and the student tutoring. Another organization is Frontier College, which has been organizing in the universities on this issue.

As an aside, honourable senators, one of the most encouraging aspects of this initiative is the degree to which young students have taken up the cause, which they find to be worthy of their time and effort, and because of the results that come from these particular one-on-one peer tutoring efforts. It is quite exciting.

With respect to the honourable senator's specific question concerning the decline in that particular program, I will look into that issue with the secretariat. As well, I will ask for their views on the question of a full-time, paid coordinator.

As my honourable friend knows, the federal government works very much in partnership with other levels and organizations in delivering the service on the ground. I will definitely follow up on this matter to see what we can do to persuade the other groups involved.

## JUSTICE

### FIREARMS REGISTRATION BILL—AVAILABILITY OF COPIES TO SENATORS—GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, on February 14, the Minister of Justice stood in his place and, with much fanfare and fireworks, introduced to the citizens of Canada a bill respecting firearms and other weapons.

At that time, the minister sent to us in the Senate a publication with some information. In that publication, the minister states:

> We are able to provide members of Parliament with 15 copies of the registration brochure.

Considering the importance of this bill in the Province of Alberta, which I am sure the Leader of the Government in this house recognizes, I have been calling around, trying to obtain more copies. I was told that only one copy would be available to members of the Senate.

Would the honourable leader intercede on my behalf to determine whether or not we senators may obtain more than one copy of this bill? In fact, we would like to have the same number of copies, namely 15, that members of Parliament have been allotted. Many Albertans are interested in this legislation and wish to have copies of the bill so that they can examine it and determine whether or not they find it favourable.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to do that. As well, I can tell the honourable senator that I always remind our colleagues in the other place that senators, too, are members of Parliament. I will definitely draw this matter to the attention of the minister's office this afternoon.

[*Translation*]

## PUBLIC WORKS

### RECONSTRUCTION OF EAST BLOCK TUNNEL—STATUS OF PROJECT

**Hon. Pierre Claude Nolin:** My question is for the Leader of the Government in the Senate. Madam Minister, you agreed on Tuesday to inquire of your colleague the Minister of Public Works about a building construction project in the Sault Ste Marie area. I wonder if one more question could be added to those you will put, or may have already put, to your colleague. Is it true that the plans to build a tunnel between the East and Centre Blocks have been cancelled?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Senator Nolin, first of all, I am still awaiting the responses for both senators on the questions asked the other day.

With respect to the honourable senator's final question, the answer is "yes." I spoke with the Minister of Public Works, who confirmed to me that this decision was taken based on the fiscal realities of the current situation in Canada.

[*Translation*]

### DETAILS OF COSTS INVOLVED IN CANCELLATION OF PROJECT

**Hon. Pierre Claude Nolin:** Would it be possible to know how much the cancellation costs will be in this case?

[*English*]

• (1450)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will get the precise figures for my honourable friend. One figure for the reconstruction of the tunnel which has been bandied about in recent months is in the order of $3 million, but I will get the precise figures.

**Senator Nolin:** Honourables senators, one point of clarification: the cost to which I am referring is the cost of cancellation, not the cost of the contract itself. There is always a cost related to the cancellation of a contract.

**Senator Fairbairn:** I will be pleased to obtain that information.

### CONSULTATION WITH INTERNAL ECONOMY COMMITTEE ON CANCELLATION OF PROJECT

**Hon. John Lynch-Staunton:** Honourable senators, on December 15, in reply to a question by Senator Doyle on this very project, the Leader of the Government in the Senate told us that the Standing Committee on Internal Economy had been consulted at least twice on the tunnel project. My question is directed either to the Leader of the Government in the Senate or to the Chairman of the Standing Committee on Internal Economy, Budgets and Administration, since he is here. Was that committee consulted on the cancellation?

**Hon. Earl A. Hastings:** I would appreciate taking the question as notice.

### CANCELLATION OF PROJECTS WITHIN PARLIAMENTARY PRECINCTS—GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** That certainly is an unusual, but still eloquent, answer.

Honourable senators, this is becoming the government of cancellations: the airport deal, the helicopter deal, the windows of the Foreign Affairs building, the Airborne Regiment, the Axworthy social reform policy, and now the tunnel.

Can the Leader of the Government in the Senate or the Chairman of the Standing Committee on Internal Economy, Budgets and Administration confirm that the grandiose program worth hundreds of millions of dollars to improve and renovate the parliamentary precinct will also eventually be cancelled and, by confirming that, tell us that the removal of the post office to open a tourist centre was another waste of money by the government, that the committee room downstairs — which this government approved, and to which we objected — will also be cancelled, and that this whole process of cancellation will cost the Government of Canada millions of dollars in damages?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I cannot in any way confirm the hypothetical questions my friend has asked. In many of the cases, the minister involved has been very conscious of public expense and has, for that reason, cancelled or, in some cases perhaps, postponed the larger development. I will get a more precise answer from the minister.

The point I wish to make to my honourable friends is that these cancellations are being made in the interest of dealing with the very serious fiscal problems this country faces. The Minister of Finance has asked every minister of the government to evaluate programs and projects within their departments in an effort to bring government expenditures into the best possible balance for the people of Canada. That is what the budget will be all about. I will try to find more precise responses for my honourable friend on the questions concerning Public Works, particularly as they pertain to the Senate, but also to the larger project he mentioned.

**Senator Lynch-Staunton:** The very same department which, on January 4, sent out a press release telling us about the tunnel project, one month later cancels it. In both cases, the same minister is involved.

Do not try to impress us with cost saving when the minister who claimed cost saving is the same minister who signed on the renovations, the same minister who signed for the windows for the External Affairs building, and the same minister who will one day have to cancel the building in Sault Ste. Marie for the same reasons.

"No one told me about these projects," says the minister. This is a government in which civil servants are being blamed for the responsibilities of the ministers. Mr. Collenette is saying, "No one told me," in the same way that the Minister of Public Works is telling us, "I don't know, either."

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# ORDERS OF THE DAY

## DEPARTMENT OF CANADIAN HERITAGE BILL

SECOND READING—DEBATE ADJOURNED

**Hon. Stanley Haidasz** moved the second reading of Bill C-53, to establish the Department of Canadian Heritage and to amend and repeal certain other Acts.

He said: Honourable senators, it gives me much pleasure to have this opportunity to initiate the debate on second reading of Bill C-53. Only yesterday, Canada celebrated the thirtieth anniversary of the new Canadian flag, a proud symbol of the Canadian people and our identity internationally. Along with some of our colleagues in this chamber, I had the privilege in 1964 and 1965 of participating in the other place in the great flag debate on the motion of the Prime Minister of that time, the Right Honourable Lester B. Pearson. The debate lasted for several months until the motion was passed in the other place on December 15, 1964, with an overwhelming majority adopting the unanimous decision of the special House of Commons committee on the Canadian flag. We Canadians are proud of the red maple leaf on white background, bounded on each side with the red bars, because it is the symbol of our country and is our identifying banner abroad.

It was my duty and privilege to serve as the first Minister of State for Multiculturalism from 1972 to 1974, mandated to implement the new federal policy on multiculturalism from coast to coast. In the House of Commons on October 8, 1971, the Right Honourable Pierre Elliott Trudeau stated that his government accepted the recommendation of the fourth volume of the Royal Commission on Bilingualism and Biculturalism, the mandate of which included the contribution to Canada of Canadians other than of English and French origin.

I should like to put on record the first paragraph of that proclamation in the House of Commons by then Prime Minister Trudeau. He said:

> It was the view of the Royal Commission, shared by the government and, I am sure, by all Canadians, that there cannot be one cultural policy for Canadians of British and French origin, another for original peoples and yet a third for all others. For although there are two official languages, there is no official culture, nor does any ethnic group take precedence over any other.

He continued by saying:

> No citizen or group of citizens is other than Canadian, and all should be treated fairly.

• (1500)

That statement, which I consider historic, was also supported in the House of Commons by all party leaders — the Honourable Robert Stanfield, Leader of the Progressive Conservative Party of Canada; Mr. David Lewis, Leader of the New Democratic Party; and Mr. Réal Caouette for the Créditiste Party — all declaring their agreement and support of that federal government policy on multiculturalism. I think it is one of the proudest moments in Canadian parliamentary history, and one for which I was proud to be present when it was stated in the house.

Today, therefore, it is appropriate that we in this chamber should pause and reflect, in order to put into proper perspective the purpose of Bill C-53, establishing the new Department of Canadian Heritage. This bill may seem to be a routine matter for

parliamentarians to consider, but a sober second look reveals that this legislation actually deals with a fundamental issue, the soul of our nation, which is our cultural heritage.

Bill C-53 does not establish a new framework law. Rather, this bill amends certain acts such as the Canadian Multiculturalism Act, the Communications Act, the Official Languages Act, with respect to the specific powers, duties and functions of the new Minister of Canadian Heritage. In short, this legislation enables the new Minister of Heritage and his or her staff to administer under one roof the mandates previously held by a number of government departments in as much as they relate to Canadian heritage, our culture.

Honourable senators will recall that the reorganization of government relating to this bill was initiated by the previous government in 1993, with a view to streamlining the business of government and attempting to adapt the structure of government in order to improve the services provided to the public. The Department of Canadian Heritage was created by Order in Council in 1993, amalgamating responsibilities previously held by five former departments, including Secretary of State, Multiculturalism and Citizenship, Fitness and Amateur Sport, Parks Canada, Historic Sites and Monuments, as well as the cultural, broadcasting and heritage components of Communications Canada. This amalgamation was not duplication but rather a coalescing of central resources and a focusing to strengthen Canadian identity, developing further our cultural and natural heritage, the arts, amateur sports and other related cultural components.

These components or elements define Canadians as a multifaceted dynamic people with a rich cultural and natural heritage. They are values that Canadians share and that unite them. These values are the sum product of all Canadians, including our aboriginal peoples, French-speaking peoples, the English-speaking settlers throughout Canada, and other immigrants who settled in Canada who daily increase the distinctive diversity of Canadian society today.

The Department of Canadian Heritage reflects and responds comprehensively and dynamically to the reality of Canadian diversity in all its many facets. Therefore, this reorganization confers one dynamic mandate to synergize, as the minister stated to the House of Commons, so that the combined impact of the whole of this new department will be able to exceed that of its individual parts.

Bill C-53 regroups, for the purposes of greater effectiveness and efficiency, virtually all that one thinks of when asked, "What, for administrative purposes, is Canadian heritage?" It places such programs and authorities under one administration, one minister, with a view to streamlining the ability of the Canadian government to carry out its commitments to the sons and daughters of the many nations who still give their all to the formation of Canadian society.

Two amendments to this bill were thought advisable by the members of the House of Commons Standing Committee on Canadian Heritage, namely copyright and fee structures in this area. At any rate the amendments, which provide for symbiosis, met with the approval of a number of representatives of artistic communities heard by that committee, and I expect that our own committee will hear more supportive remarks by way of similar representations, perhaps from artisan communities and innovators not yet heard.

Having used the word "community" twice already, I should like to emphasize that the Canadian interests which Bill C-53 clearly outlines incorporate by their nature all Canadian individuals in view of their membership in our community. The new department, as it is now structured, will have the tools, expertise, and vision to develop the resources to reflect the vision of Canadian society and to implement its mandate effectively and creatively, as the minister also stated to the Canadian Heritage Committee of the House of Commons.

According to Bill C-53, the new minister will be able to adapt and optimize opportunities in the context of the changes in our society and in our cultural life. For example, to obtain for Canada success in the new global economy, especially that part called the information society, the Department of Canadian Heritage will be able to involve itself in developing cultural objectives within a framework for broadcasting policy and ensure Canadian content on the information highway.

In conjunction with the Minister of Industry, the new Minister of Canadian Heritage has already launched an important public process seeking input from interested parties on a number of regulatory and policy matters relevant to the development of new technologies in the context of the information highway. Also, the new department will examine, in view of the amendments, the role of copyright on cultural property and any change to policy that may be required. The minister will also address the impact of new media roles on copyright. He has told the members in the other place that he enjoins the copyright committee of the Information Highway Council, which will make recommendations as to how copyright may be used to enhance the benefit of the information highway for all Canadians.

The new department is also working to strengthen the artistic community's access to audiences by the establishment of an alternative television service to support our performing artists. Furthermore, the minister said he intends to tap the great potential of tourism by bringing together the key areas that contribute to tourism, such as arts and culture, museums, heritage institutions, sport, historic sites and monuments, just to name a few.

In conclusion, honourable senators, Parliament itself is an integral part of our living heritage, and I therefore invite you, my fellow parliamentary colleagues, to take an active part in the debate on second reading of Bill C-53, as is our legislative duty, to offer your valuable suggestions to strengthen Canadian identity and to promote the values that Canadians of every heritage share and cherish.

• (1510)

**Hon. Noël A. Kinsella:** Would the honourable senator entertain a question? We are all aware of your distinguished contribution to the field of multiculturalism as perhaps the first minister responsible.

I know our discussion here is on the principle of the bill. In principle, is the honourable senator satisfied that the multiculturalism programs, which I understand are administered by the Department of Canadian Heritage, will have within that structure sufficient prominence to meet, for example, the requirements of the Canadian Multiculturalism Act, which is one of the acts administered by that department?

I recognize we are dealing with machinery-of-government legislation, but sometimes when we lift the cover from machinery-of-government legislation, we can identify some principles which may not be as congruent as we would like them to be.

Since the honourable senator has had ministerial experience in the field of multiculturalism, is he satisfied in principle that the multiculturalism programs and, in particular, the administration of the Canadian Multiculturalism Act will be adequately managed under this machinery-of-government legislation?

**Senator Haidasz:** Honourable senators, in answer to my colleague's question, I can say that I am satisfied that the federal government's multiculturalism principles which have been developed by various ministers of various administrations are intact and that the Department of Multiculturalism and Citizenship is not abolished or reppealed by Bill C-53. Rather the department is enhanced because it may have a secretary of state, a junior minister who will be in charge of the multicultural policy as it was developed by other ministers and brought to the point where a separate Department of Multiculturalism and Citizenship was established by Parliament.

The secretary of state, both in her speech in the other place and before the House of Commons committee on heritage, stated that she hopes future multiculturalism project activities will be organized around four key objectives. I hope I have the indulgence of the chamber to state what the minister told the members of the committee.

The first key objective is to facilitate ethno-cultural community participation and integration into the fabric of Canadian society. The second objective is to help our institutions adapt their policies and programs to the reality of diversity. The third objective is to strengthen social cohesion by promoting harmonious race and inter-group relations. The fourth objective is to promote public awareness of the benefits of multiculturalism.

The minister also put on record the fact that all of these activities have a humble investment of just less than one dollar per Canadian per day. That is all it will cost to ensure that Canada's social cohesion and social peace is achieved through the principles of the federal government's policy of multiculturalism.

**Senator Bosa:** That should read one dollar per Canadian per year.

**Senator Haidasz:** I have "per day." I stand corrected.

**Senator Kinsella:** Honourable senators, I am grateful for that answer. Perhaps the honourable senator can clarify for me whether the promotion of Canadian citizenship, which used to lie with the Department of Multiculturalism and Citizenship, is now the responsibility of not the Department of Canadian Heritage but, rather, the Department of Immigration and Citizenship? If one subscribes to the view that Canadian citizenship speaks to all 27 million of us, not just those who are acquiring new citizenship flowing from the immigration process, does the honourable senator think it is a wise move to segregate citizenship from Canadian heritage?

**Senator Haidasz:** Honourable senators, as the previous government had decided, and as the present government has adopted, certain aspects of the Ministry of Industry and the Ministry of Immigration and Citizenship dealing with the implementation and administrative process have been left in the hands of those respective ministeries as far as communication policy is concerned. I am sure that this administration and the previous administration have good reasons for that decision.

My personal views, as requested by the honourable senator, I must say, have had little to do with the way the legislation was prepared and adopted in the other place. This is a matter of personal choice. I was never the Minister of Immigration and Citizenship and therefore I do not know all the details. However, I have attended many citizenship ceremonies, which take up a lot of time and require a special process. These processes are left in the hands of the Minister of Immigration. The other examples, such as the other part of copyright and the technical examples, are left in the hands of the Minister of Industry. Once again, this is a personal view, and my view really does not matter.

**Senator Kinsella:** Honourable senators, one may agree or disagree with that view. The honourable senator made reference to the fact that the Secretary of State for Multiculturalism is also the Secretary of State for the Status of Women.

Under this legislation, the Department of Canadian Heritage no longer has the women's program contained therein. The women's program is moved off to the Department of Human Resources, notwithstanding that the Secretary of State for Multiculturalism and the Status of Women has these two programs for which she is responsible, and is doing an excellent job.

On the one hand, the machinery-of-government legislation has one plan or vision in mind, and, on the other hand, the structure of the ministry would seem to point to another plan. I do not quite understand the symmetry. However, honourable senators, this is getting into detail beyond principle and perhaps I can explore the matter in greater detail in committee.

**Senator Haidasz:** Honourable senators, these are good questions and I hope committee members will enquire of the ministers as to the rationale and practicality of the problems that the honourable senator has just raised.

On motion of Senator Berntson, debate adjourned.

• (1520)

## IMMIGRATION ACT
## CITIZENSHIP ACT
## CUSTOMS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Peter Bosa** moved the second reading of Bill C-44, to amend the Immigration Act and the Citizenship Act and to make a consequential amendment to the Customs Act.

He said: Honourable senators, it is an honour for me to introduce this important piece of legislation in the Senate. Bill C-44 proposes a number of amendments to the Immigration and Citizenship Acts. These acts, like any engine, occasionally need a tune-up and a clean-up, which is what this bill does. It cleans some of the substances out of our immigration and citizenship engines which should not be there.

For the past few months there has been a justified preoccupation in the media and by the public in general over a small criminal element which has used the system to its own end.

[*Translation*]

Honourable senators, the actions of this handful of criminals who have skirted around the immigration system have caused us to waste precious time and have gripped public attention for far too long.

The present government, in its immigration plan tabled last November, stressed that the focus of its immigration policy was our country and the people who build it, and not the criminal element. This is the basis of the government's strategy.

Although the emphasis is on the long-term impact of our immigration and refugee strategy, we must not lose sight of today's reality. We must deal with this small minority of people whose actions tarnish the reputation of the vast majority of immigrants.

[*English*]

There is no denying that in the recent past there have been some serious crimes committed by persons who were in Canada either as refugees or as immigrants. However, let us not attempt to link immigration to crime. A number of statistics taken at various times show that immigrants are substantially more law-abiding than are Canadian-born citizens.

Immigrants are nation-builders. They are the people who will help us build the Canada of tomorrow. As our population ages and the birth rate continues to drop, immigrants fill this important need. It is a two-way street. Immigration fulfills a great economic need to our society; and Canada provides immigrants with a profoundly democratic and caring environment, as well as the economic opportunities they seek.

We are also closing some loopholes in the act, of which criminals have taken advantage. Quite simply, the amendments to the act with which we are dealing today will further move us toward restoring integrity to our system. They will allow us to continue to show compassion for genuine refugees and immigrants who are willing and able to accept the responsibilities of Canadian citizenship. This bill gives enforcement officials the implements they need to improve the system without hurting the innocent.

[*Translation*]

This legislation is an essential component of our ten-year immigration strategy. It is not the most important component, but it is one of two means at our disposal that will help the strategy produce the desired results.

[*English*]

Fair access and the rule of law are the two principles embodied in our strategy. A basic premise is that those who abuse our nation's hospitality and laws will not be given entry. People who come to Canada should either play by the rules or face the consequences. Our citizens and our government will not tolerate cheaters or criminals.

The main points in Bill C-44 are straightforward and to the point. I should like to think that all members in this chamber would consider them a valuable part of our continuous efforts to improve our Immigration Act. This legislation will prevent serious criminals — those deemed to be a danger to the public — from claiming refugee status as a means of delaying their removal from Canada.

Bill C-44 will place limits on the right of appeal to the Immigration and Refugee Board against deportation orders for certain serious criminals. Only the minister or his designate will be able to overcome the removal order. The bill also gives senior immigration officers the authority to terminate refugee hearings because of criminality.

Customs officers who routinely check international mail, on discovering suspicious documents will be able to refer such documentation to an immigration officer for examination. The immigration officer will have the authority to seize identity documents which are meant to be used to abuse the system.

Honourable senators, the bill ensures that persons with two or more summary convictions, whether obtained inside Canada or abroad, will be inadmissible.

[*Translation*]

Bill C-44 will also allow us to interrupt the citizenship process if the party concerned is the subject of an immigration inquiry.

[*English*]

As I mentioned earlier, this government is prone to listen before it acts. Since the bill's introduction in the other place, there have been a number of amendments. Transitional clauses have been added, some of which are designed to prevent costly and time-consuming court challenges.

Of a more substantive nature is the definition of what constitutes a serious crime. The government listened carefully to what citizens and representatives of various organizations had to say. We heard that the scope of the definition of "serious criminal" was too broad. As a result of what we heard, only those persons convicted of serious offences who are considered by the minister to be a danger to the public will lose their appeal rights. All others will retain all appeal rights, including those on humanitarian grounds, to the Immigration and Refugee Board.

We also heard the argument that, as a delaying tactic, criminals would still make appeals to the Immigration and Refugee Board on grounds of law and fact, even though there were no real grounds. As a result of what we heard, the legislation proposes to remove the right of appeal to the Immigration and Refugee Board on all grounds for those individuals who are convicted of a crime punishable with a sentence of 10 years or more. Those individuals will retain their right to seek judicial review in the Federal Court on questions of law.

Of course, humanitarian cases will be considered by the minister when a decision is made as to whether a convicted person is a danger to the public. The minister proposes that criminal convictions involving violence, weapons, sexual offences or drugs will be reviewed when determining whether a person is to be considered a danger to public safety.

Whenever changes to the Immigration Act take place, there are always those who say we have not gone far enough. On the other hand, there are those who say we have gone too far, that we have reacted too strongly as a result of the actions of a few wrongdoers. Those who take that stand are well-meaning people who are concerned that amendments to the act such as the ones being proposed might bring hardship to some poor souls who deserve understanding and compassion. Those people must understand that this government cannot sit idly by while a good system is eroded and corroded by a few. Every precaution is taken to ensure that not everyone is caught in the same net. I wish to assure honourable senators that these amendments have struck a middle course between the two extremes.

[*Translation*]

This is a good bill. It will help eliminate the negative image a handful of criminals have given to immigration.

[*English*]

Wrongdoers and criminals can expect no safe haven here. Canada welcomes true immigrants and genuine refugees. That is borne out by our history. We are reassuring the Canadian people that the government is in firm control of its borders. At the same time, we are reassuring the world that Canada's commitment to a progressive immigration and refugee policy remains unchanged.

On motion of Senator Berntson, for Senator Di Nino, debate adjourned.

[*Translation*]

## DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE BILL

SECOND READING—DEBATE ADJOURNED

**Hon. Jean-Robert Gauthier** moved the second reading of Bill C-47, to amend the Department of External Affairs Act and to make related amendments to other Acts.

He said: Honourable senators, I am pleased to support Bill C-47, entitled an Act to amend the Department of External Affairs Act.

At the time it was sworn in, the present government committed itself to changing the name of the Department of External Affairs to the Department of Foreign Affairs and International Trade. This name change reflects the changes in the department's mandate over its 85-year history.

The Department of External Affairs was established in 1909 by Prime Minister Wilfrid Laurier to look after Canada's foreign policy. Its mission has been considerably changed to keep up with Canada's increasing prominence in the world.

During the First World War, Canada played a vital role on the international stage, both through its participation in the allied forces and its membership in the Imperial war cabinet. This involvement led to changes in the young department. In the 1920s, under the guidance of Under-Secretary of State O.D. Skelton and of advisor Loring Christie, it began to become the department it is today. It was at this time as well that the Canadian Diplomatic Corps was established in order to ensure Canadian interests were well represented abroad.

Following the Second World War, and Canada's involvement in the conflict, the department grew somewhat. Canada took an active role in world events.

Canada is a founding member of the United Nations and is a member in good standing of many other international organizations, including the North Atlantic Treaty Organization, the General Agreement on Tariffs and Trade, the International Monetary Fund, the World Bank and the Commonwealth.

In the past few years, we have joined more organizations, such as the G-7 — the group of seven leading industrialized countries — Francophonie internationale and the Organization of American States, so as to constantly expand our influence on the international scene. The department has diligently fulfilled its mission, which is to represent, promote and defend Canada's interests and values everywhere in the world, to increase Canada's knowledge and understanding of the rest of the world and to serve Canadians at home and abroad.

Bill C-47 will amend the Department of External Affairs Act in order to change the department's official name as well as the minister's and senior officials' titles. From now on, the Secretary of State for External Affairs will be the Minister of Foreign Affairs. It changes the French version of the title of the Minister for International Trade — ministre du Commerce extérieur — to ministre du Commerce international. The Minister for External Relations becomes the Minister for International Cooperation. Lastly, the titles of senior officials containing the term "under secretary" will also change to stay in line with the department's new name. Thus, the Under Secretary of State for External Affairs becomes the Deputy Minister of Foreign Affairs and the three related associate under secretaries assume the title of associate deputy minister.

Under the current act, one of the persons holding one of these offices could be designated Deputy Minister for International Trade or Deputy Minister for Political Affairs.

The current act provides for the naming of a Coordinator, International Economic Relations, without a change to the title.

The bill in no way changes the department's basic structure. It merely gives it a name that is better suited to its current mandate. I recommend that the bill be passed.

On motion of Senator Berntson, for Senator Kelleher, debate adjourned.

[*English*]

## SECURITY AND INTELLIGENCE

POSSIBILITY OF ESTABLISHING SENATE COMMITTEE— ORDER STANDS

On the Order:

> Resuming the debate on the Inquiry of the Honourable Senator Kelly calling the attention of the Senate to the desirability of considering at this time the establishment of a Standing Committee on Security and Intelligence.

**Hon. Eymard G. Corbin:** Honourable senators, I want to have that item remain standing in my name, but I would invite other senators who wish to speak to it to do so. I will gladly yield. Nevertheless, I want the item to remain standing in my name until such time as I complete my research.

Order stands.

The Senate adjourned until Tuesday, February 21, 1995 at 2 p.m.

# THE SENATE

**Tuesday, February 21, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## DISTINGUISHED VISITOR

CHIEF OF STAFF OF FEDERATION COUNCIL,
FEDERAL ASSEMBLY OF THE RUSSIAN FEDERATION

**The Hon. the Speaker:** Honourable senators, before we proceed to the normal business of the Senate, I should like to take this opportunity to introduce a distinguished guest who has been accorded the honour of sitting at the Table with our Clerks, the first person of that rank from outside the Commonwealth ever to do so. He is Mr. Vladimir Nikitov, Chief of Staff of the Federation Council, the Upper House of the Federal Assembly of the Russian Federation.

Mr. Nikitov, who is the equivalent of our Clerk of the Senate, is here for several days to learn about Canada's parliamentary system of government and the administration of both the Senate and the House of Commons, as well as the Library of Parliament. His visit is part of an ongoing program which was established a few years ago, a program designed to promote exchanges between our Parliament and the Russian Federal Assembly.

[*Translation*]

As I said, Mr. Nikitov is Chief of Staff of the Upper House of Russia, the Federation Council. I also call your attention to the presence in our gallery of two of his colleagues, Messrs Leonid Soukhov and Anatoliy Sdizhkov.

It is indeed a pleasure and an honour to have you among us today.

[*English*]

I trust that you will enjoy your visit. We are delighted that you will have this opportunity to observe some of our proceedings during your time with us.

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# SENATORS' STATEMENTS

## INTERNATIONAL TRADE

1994 EXPORT STATISTICS

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, last week Senator Olson spoke about giving good news a chance, so I am sure that he and other colleagues will be delighted if I spend a few minutes talking about Canada's export performance in 1994.

According to Statistics Canada, in 1994 exports advanced 21 per cent, compared to 16 per cent in 1993. The trade balance last year was $17.1 billion, compared to $9.5 billion in 1993. I know that our friends opposite will be particularly interested in learning that 82 per cent of our exports last year were to the United States, compared to 80 per cent the year before. The comparative figures for Mexico are 4.8 per cent and 4.5 per cent, respectively. This outstanding performance would have been impossible without the free trade agreement, which went into effect at the beginning of 1989, and the North American Free Trade Agreement which took effect at the beginning of last year.

Honourable senators will recall that the Liberal Red Book — which, it is now obvious, should more properly be called the "Misread Book" — spoke of a Liberal government not only renegotiating the free trade agreements but even abrogating them. In fact, not only was the NAFTA enabling legislation proclaimed without a comma being changed but the Prime Minister is now anxiously trying to widen his circle of amigos, and even smiles approvingly when he is called "the godfather of free trade."

Surely, no conversion has been so startling since St. Paul's, and hopefully it is the result of conviction and not, as some may suspect, of political opportunism.

**Hon. H. A. Olson:** Honourable senators, I do not wish to get involved in what happened to St. Paul on the road to Damascus, because there have been some other equally startling conversions. I think it is beneficial for Canada to have the Leader of the Opposition draw attention to this good news. From time to time we may argue across the aisle about who deserves the credit. That is not terribly important to me. As I mentioned the other day, I give credit where it is due. We took most of it, to which we were entitled.

I am pleased that the Honourable Leader of the Opposition has gleaned these favourable statistics from wherever he found them and has drawn some attention to them. It is an indication of what Canadians can do when they have confidence that everyone in this country, including the government, is working with them and for them.

**Hon. Raymond J. Perrault:** Honourable senators, I want to say how much I appreciate the statement the distinguished Leader of the Opposition has made this afternoon regarding buoyant good news from the trade front. It is good that most Canadians are part of the building team rather than members of the wrecking crew. Everyone knows that psychology plays an important role in determining our degree of economic success. The more we spread the good news the better.

I suppose that, in a sense, there has been an "agonizing reappraisal of our policies." I believe it was John Foster Dulles who first used that expression.

We should attempt to spread the good news. Some people have erected clocks in various parts of Canada indicating the increase in the national debt every second. I wish we had a few "asset clocks" in the country measuring the improving conditions and the resources and productivity of our people. That would be an encouraging thing to see. While we should be reminded of the debt, we should also be reminded of the inherent assets of our country. I thank the Leader of the Opposition for his statement.

### JUSTICE

FIREARMS REGISTRATION BILL—
AVAILABILITY OF COPIES TO SENATORS

**Hon. Ron Ghitter:** Honourable senators, on Thursday last I asked the Honourable Leader of the Government whether we could get copies of the gun control legislation which is of great interest in the Province of Alberta. I merely wish to thank publicly the honourable leader for responding quickly, and immediately providing me with 10 copies of the legislation, which I have now sent to Alberta.

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## ROUTINE PROCEEDINGS

### ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Wednesday, February 22, 1995 at 1:30 in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

• (1420)

### PICTOU LANDING INDIAN BAND AGREEMENT BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-60, respecting an agreement between Her Majesty in right of Canada and the Pictou Landing Indian Band.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on Orders of the Day for second reading on Thursday next, February 23, 1995.

### EUTHANASIA AND ASSISTED SUICIDE

COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

**Hon. Joan Neiman**, with leave of the Senate and notwithstanding rule 58(1)(*a*), moved:

> That the Special Senate Committee on Euthanasia and Assisted Suicide have power to sit at four o'clock in the afternoon today, February 21, 1995, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

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## QUESTION PERIOD

### AGRICULTURE

IMPROVEMENT IN INTERNATIONAL GRAIN MARKET—
REQUEST FOR ANALYSIS OF SITUATION

**Hon. H.A. Olson:** Honourable senators, I have a question for the Leader of the Government in the Senate concerning the international grain situation. There have been some satisfactory improvements in the situation respecting the international grain market that have recently resulted in the initial price for durum wheat rising by $25 a tonne, and that of the regular bread wheat by about $20 a tonne.

**Senator Berntson:** Is this a preamble?

**Senator Olson:** It is a bit of a preamble, yes. I am asking this question because there have been some disturbing predictions that this improvement in the international grain market is not expected to last very long.

Will the Leader of the Government in the Senate undertake to obtain an analysis of this situation from the Minister of Agriculture, who is the minister responsible to Parliament for the Canadian Wheat Board, and also the Minister of International Trade? It may well be that the tidings will be favourable because, from all appearances, the current situation in the international grain market seems set to continue for several months to come.

**Hon. Joyce Fairbairn (Leader of the Government):** I thank the honourable senator for his question. I would be delighted to ask my colleagues to prepare such a report.

### THE BUDGET

TAX INCREASES FOR WEALTHY CANADIANS—
GOVERNMENT POSITION

**Hon. David Tkachuk:** Honourable senators, I should like to ask a question of the Leader of the Government in the Senate regarding the upcoming budget.

The Minister of Finance has stated that the increased taxes in the upcoming budget will tax only wealthy Canadians. I should like to ask: What is the government's definition of a "wealthy" Canadian taxpayer?

**Hon. Joyce Fairbairn (Leader of the Government):** I appreciate the honourable senator's question. At this point in time, I would encourage him to wait until the budget is presented to see exactly what measures are contained therein.

**Senator Tkachuk:** I am not asking what the measures are in the budget. I am asking a question as to what basis in fact they are using to arrive at the budget. It was the government — not the opposition, nor members of the public — which said that it would tax only wealthy Canadians. The Leader of the Government in the Senate participates in discussions of that nature, and I am sure participates in budget discussions in cabinet.

I will rephrase my first question: What is the personal definition of the Leader of the Government in the Senate of a "wealthy" Canadian, and what income group does she, personally, feel is not paying their fair share of taxes?

**Senator Fairbairn:** I appreciate the honourable senator's question. However, as honourable senators know, these are all hypothetical questions until the budget is produced by the Minister of Finance. At that time, hopefully, all will become clear.

**Senator Tkachuk:** My definition of a "wealthy" Canadian is someone who makes over $200,000 a year. However, that is a Tory definition. A Liberal definition is that anyone who makes over $20,000 a year is a wealthy Canadian, and that is how I think they will tax.

If the minister is participating in such ongoing discussions, surely she must have an opinion on who should be taxed. We are not the ones who are saying that people are not paying their fair share; that people are using tax loopholes. It is the government which is saying all of these things.

Personally, how does the Leader of the Government in the Senate perceive this situation on behalf of Canadians? Who in Canada is not paying their fair share of taxes? If everyone is, indeed, paying their fair share, I assume there will be no need for tax increases in the budget.

**Senator Fairbairn:** My honourable friend will know that I am not, nor do I wish to be, the Minister of Finance. All Canadians know, through our public consultations and our program review, that over the past several months and days the Minister of Finance has made it clear that his preferred method of approach for this budget is to cut expenditures and to deal fairly, and in a balanced way, with all regions of Canada and with the Canadian people. That is what the budget will reflect, including moving us further — and most optimistically — down the line towards the goal of 3 per cent of the GDP reduction in the deficit in three years as a strong —

**Senator Lynch-Staunton:** In two years, now.

**Senator Fairbairn:** A total of three years, my honourable friend. We are well on our way to the total objective of the government, which is a balanced budget.

## THE ECONOMY

### TARGET FOR REDUCTION OF DEFICIT— GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, my question relates to the 3 per cent of GDP mentioned by the Leader of the Government in the Senate as the target for the deficit. In spite of the fact that foreign investors, those who are investing in that portion of our debt, have clearly indicated that 3 per cent is not acceptable as a level of deficit for this country, is the honourable leader stating, as a member of cabinet, that this particular figure has not been reconsidered in light of what has taken place and the statements that have been made just this past week by one of the credit-rating organizations?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend will know that one of the greatest attributes of this country at this point in time is the stability of its economy. The indications throughout our economy, including my honourable friend's intervention today on the side of trade, is that we have never had as strong a trade performance as we have experienced in the past year. Well over 450,000 new jobs have been created in this country in the past year and several months, since this government came into power. These are mainly full-time jobs. Business and consumer confidence is higher than it has been in years.

We have an inflation rate that is lower than that of any other members of the G-7. In fact, we are the country that both the IMF and the G-7 say will have the strongest performance, the lowest inflation, the strongest growth, of any of our industrial competitors. Those are the fundamentals of the Canadian economy that are strong. They are stable. They are consistent.

There is something else I should like to say to my honourable friend. The Minister of Finance is aware of what Moody's has to say, but the Minister of Finance has a larger responsibility, and that is to the people of Canada. He will respond to the people of Canada in a fair and balanced way that will bring the trends of our deficit consistently down. The message to foreign investors will be that Canada's deficit is being steadily reduced, just as we said it would. Our goal is to make that deficit disappear, and to replace it with a balanced budget. That is the trend that the world will see, supported and elucidated in this budget. It is a budget for Canadians, and it will send a strong message beyond our borders.

• (1430)

**Some Hon. Senators:** Hear, hear!

**Senator St. Germain:** Honourable senators, there is no question that the fundamentals and the direction in those trends were set by the previous government, as was so deftly pointed

out by the Leader of the Opposition. The direction was not set by the administration which is now in place. The honourable senator from British Columbia just said, "Be patient." How can we remain patient when this government has been in office for 16 months and has done nothing?

I ask the Leader of the Government, why is the government not heeding the warnings of the likes of Moody's? Although she may say it is a budget for Canadians — and I agree that it should be for Canadians and for no one else — the fact is that our debt and deficit are now influenced by foreign investment. I ask again, why is serious consideration not being given to these warnings? Given the low rate of inflation, the trade we have in this country is not as a result of any Liberal initiative; rather it is the result of initiatives taken by the previous government.

Honourable senators, why is the Leader of the Government in the Senate, a cabinet minister, not pushing more aggressively? It would be in the interests of Canadians to reduce the deficit by more than 3 per cent of GDP. Why is the leader not taking a stronger stand in cabinet? Logically, the leader should be speaking out in cabinet as the voice of the Senate and as a senator representing all of Canada.

**Senator Fairbairn:** Honourable senators, I can assure you that, with regard to this government's deficit reduction program and its targets, I have strongly supported the efforts of the Minister of Finance to show the world that we are meeting our targets for this year. We met our targets for last year. We will meet our targets for next year.

If we want to get into a discussion on the deficit and the debt and why foreign investors are so jittery and nervous, we could look back a few years to the projections the ministers of finance of the former government put forward, which were then missed by more than a country mile. This government is meeting its targets, and we will continue to meet those targets.

[*Translation*]

MARKET FACTORS AFFECTING FOREIGN INVESTORS— GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, my question is for the Leader of the Government in the Senate. You have stated your points. Why are foreign investors more concerned with your Finance minister this year than last year? This year, they are concerned. What is going on?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, there is something happening this year which may well cause a more subdued and anxious mood among our foreign investors and friends of Canada from countries abroad. This year we have the added distraction of the proposed referendum in the province of Quebec. There is no question that the volatility in the markets is for a variety of reasons. One reason is the deficit and the debt situation, and another reason is the volatility in the American money markets.

However, as a result of events within our own country, we are also putting forward an image which causes concern to others. That is why every member of this house — unfortunately the same is not true of the official opposition of the other house — has a fundamental concern for the unity and strength of a united Canada. That is one of the reasons that there is concern abroad; concern that perhaps was not there last year or the year before that. It is certainly there in 1995.

[*Translation*]

**Senator Nolin:** Honourable senators, I fully agree with you that Canadian unity would considerably improve opinions abroad regarding our commitments. Could you tell us whether your Minister of Finance has directly or indirectly contacted these foreign evaluators to find out why they have placed us under review?

[*English*]

**Senator Fairbairn:** Honourable senators, I am sure my honourable friend would expect the Minister of Finance to be well aware of all of the details and the pushes and pulls within the international money markets. The minister has a message which he is sending forward. He is doing perhaps the most responsible thing that a Minister of Finance of Canada can do: He is levelling with the Canadian people; he is levelling with the international community. He is saying that this is what we will do, that these are our goals and we will not be pulled from them, that we will meet those goals and move our deficit and our debt ever downward in the years ahead.

We must be courageous in this budget, and we must also be conscious of the people in this country who are in distress, and who must be supported. However, we will meet our targets.

## THE BUDGET

REQUEST FOR DATE OF PRESENTATION

**Hon. Lowell Murray:** Honourable senators, I should like to ask the Leader of the Government in the Senate this question: Has a date been set for the budget?

**An Hon. Senator:** Yes, but we do not know it yet.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the date for the budget is for my colleague the Minister of Finance to announce. He was contemplating making that announcement today, and I certainly would wait for him to do so.

**Senator Lynch-Staunton:** Is he waiting to consult President Clinton when he comes to town this week, as he did last year?

**Senator Perrault:** The President wants some advice from him.

**Senator Murray:** Will the budget be presented during the month of February? Is the answer to that question "Yes"?

STATE OF THE ECONOMY—GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, I had no intention of participating in this discussion. However, after hearing the words of the Honourable Leader of the Government, I must say that I see a different Canada than the rosy picture she has painted today, with all of the forthcoming applause by her colleagues. I see a Canada today where interest rates are rising, probably by as much as one-half of 1 per cent today. I see a Canada today where the dollar has not been so low for many years. I see a Canada today where the middle class are being squeezed, where the infrastructures are falling apart, where the average family is facing more and more costs for day care, health care, care of any nature or kind to which they were previously entitled.

I do not have the same optimism as the Honourable Leader of the Government in the Senate. I do not think the average Canadian taxpayer can be that optimistic while facing pressure from every side and every corner. It is fair enough for the honourable leader to stand up and say how wonderful are our trade balances and our exports — all of which, I might add, are due to the courage and determination of the past government — but I want to know who is speaking for the middle class of Canada today? Who is standing up and talking about the increased tax loads and increased costs they are facing?

I say that this government will not have the courage to stand up on budget day and do the things which are required to bring our economy back to where it should be. Three per cent of GDP is not even scratching the surface of the overhaul that this country needs.

I am looking forward to this budget. I will challenge this government when the time comes for the lack of courage that I am predicting on their part. They will try to wash away the problems with rhetoric, such as we have heard today, leaving nothing for the middle class and leaving again the same ongoing situation that Liberals have left from time immemorial; trying to spend, spend, spend their way out of the deficit with programs that will not help anyone.

**Some Hon. Senators:** Hear, hear!

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I welcome my honourable friend's question, spoken as a true Alberta Tory. I can understand why he has a touch of pessimism when he looks at some of the effects of recent provincial budget cuts on Canadians in the province of Alberta. I assure my honourable friend that it is an extra load for an Albertan to be optimistic at this point in time, given what we have been going through for the last year.

However, I shall not use rhetoric today in answer to my honourable friend. Rather, I am using facts about where the fundamentals of the economy of Canada are today. There is strength. I am not saying that the situation is perfect; obviously it is not. That is why there will be a tough budget.

• (1440)

However, I do challenge the statement of my friend when he says that bringing our deficit down to 3 per cent of GDP is worth nothing. On the contrary, it will be worth a great deal. First, we will get our fiscal house in order to the point where we can support and protect the people in Canada about whom he is so concerned. They have a vested interest in the fairness and the balance of this budget. That is what the Minister of Finance will be doing.

Honourable senators, I believe my honourable friend should keep an open mind until the budget comes forward.

## THE ECONOMY

PARTISAN NATURE OF THE OPPOSITION IN THE SENATE

**Hon. Raymond J. Perrault:** Honourable senators, my question is for the Leader of the Government in the Senate: Will the Leader of the Government agree with me that the Canadian people rendered rather devastating judgment on the economic policies of our friends on the opposite benches just a few months ago?

**Senator Lynch-Staunton:** You adopted them all.

**Senator Perrault:** They are the only party in the last century which is able to hold their national convention in a phone booth.

My question is this: Can the Leader of the Government in the Senate explain to some of us, who fail to understand why there are so many partisan, negative statements being made by the honourable senators on the other side, why so few of them want to give good news a chance?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I cannot delve into the hearts, minds and souls of my friends opposite. I do know that Senator Ghitter is normally a fair, reasoned and cheerful sort of guy.

**Senator Ghitter:** I take back everything I said.

**Senator Fairbairn:** I am sorry that he is in a pessimistic mood, but I do know that his mood will be strengthened by the budget when it comes. He will know that this country is on track, and that the government is conscious of the well-being of all Canadians.

POSSIBILITY OF ACCELERATED DEFICIT REDUCTION—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, I have a supplementary question for the Leader of the Government in the Senate: She has painted a glowing picture of a strong economy in Canada. God bless her; I hope she is right. I hope she is vindicated when the final figures come out.

Given that we have this strong economy, is the Leader of the Government in the Senate not of the opinion that if we are producing optimally at this time, honourable senators, and if we cannot address our deficit in the way that investors investing in our debt want us to, what will we do when we find ourselves in a downturn? If we cannot deal with the issue effectively now and respond in excess of 3 per cent of GDP, when will we ever be able to do so?

**Hon. Joyce Fairbairn (Leader of the Government):** God bless you for your confidence, too, Senator St. Germain.

I will only repeat, honourable senators, what I have been saying this afternoon. I know that upsets Senator Doody, because he thinks this is the answer period. There are two issues at play here. Of course we are aware of what the money markets are saying to us. The honourable senator reads the same newspapers as I do, as does the Minister of Finance. We know what Moody's is saying. We know there is a concern about Canada's position.

One of the most fundamental ways of sending a message abroad is to tell those people that we are confident in the strength of our country, and that we are determined to move in the direction of the goals we have set. We have said publicly — and repeatedly — that we will meet those goals. Those goals are in the best interests of the people of Canada because they are balanced goals. After the budget, those messages will get through to the money markets.

## TRANSPORT

### RADIO CANADA INTERNATIONAL—INVITATION TO MINISTER OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE TO RESPOND TO SENATE COMMITTEE REPORT

**Hon. Finlay MacDonald:** Honourable senators, I wish to ask a question of the Chairman of the Standing Senate Committee on Transport and Communications. In June of 1994, that committee tabled a report on the mandate and funding of Radio Canada International.

On February 7, 1995, the report of the Special Joint Committee Reviewing Canada's Foreign Policy made two excellent recommendations, among many others. The first recommendation was that the government continue to give strong support to the promotion of Canadian studies in universities in approximately 35 countries which, in the past, have conspicuously depended on the information emanating from Radio Canada International. The second response took note of the importance of the programs on RCI, and urged that every effort be made to exploit its potential.

Honourable senators, the government is to be commended on its reaction to these recommendations, which is most encouraging news for the chairman and members of this Senate committee, and particularly for Senator Ray Perrault, who initiated the inquiry.

My question is this: When does the committee intend to invite the Minister of Foreign Affairs and International Trade to respond to that committee's report?

**Hon. Donald H. Oliver:** Honourable senators, I should like to thank the honourable senator for his question.

The committee has done several things to follow up on its report. For instance, on September 27 last, I wrote a letter to the Minister of Foreign Affairs and International Trade, the Honourable André Ouellet, reminding him of the committee's recommendations and telling him that we wanted to meet with him in February of 1995 or earlier, if it was convenient for the minister.

On December 8, the minister wrote to me and replied that our report was under very active consideration. The minister told me that he has had discussions with Mr. Manera, chief of the CBC. As well, there have been meetings with the deputy minister and other officials. As recently as last week, we were in touch with the minister's office again. The matter is still under study. We are asking that they consider ways of overcoming the problem of gross underfunding of this important part of Canadian life.

We hope, honourable senators, that the minister will come before us sometime in March, and be in a position at that time to answer our direct questions on the underfunding of this important agency.

**Hon. Raymond J. Perrault:** Honourable senators, I ask leave to make a brief comment with respect to the Radio Canada International statement, if I may, since my name was mentioned in the course of the discussion.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

**Senator Perrault:** Honourable senators, I wish to thank Senator MacDonald for his statement today. As well, I thank Senator Oliver for the effective work he has been doing as chairman of the committee.

I am in agreement, as are many senators on both sides of this house, with the statement that Radio Canada International is underfunded, and that it could become a very effective supporter of many of our efforts in economics, trade and culture abroad. I support the idea of having a meeting as soon as possible with the minister to discuss with him the contents of the recent joint committee report on foreign affairs.

There is a good degree of unanimity on both sides of the house. I think we should move now into meetings to see if we cannot implement some of those recommendations.

## THE BUDGET

### REQUEST FOR DATE OF PRESENTATION— GOVERNMENT RESPONSE

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, if I may, in response to an earlier question from Senator Murray, I can say now with conviction and clarity that the budget will be tabled in Parliament on Monday, February 27, at 4:30 p.m.

• (1450)

### REQUEST FOR FORMAL DEBATE—GOVERNMENT POSITION

**Hon. Lowell Murray:** Honourable senators, in view of the information that the Leader of the Government in the Senate has just given us as to the date of the budget, will the Deputy Leader undertake to have a Notice of Inquiry placed on the Order Paper,

drawing the attention of the Senate to the provisions of the budget? Will he arrange to have one of the supporters of the government open debate on such an inquiry so that we will have an organized forum for discussing the budget policy and all of its provisions?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** It is open to any honourable senator to initiate an inquiry. However, I will be happy to discuss the matter with the leadership on this side and take whatever appropriate action is necessary.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have one delayed answer in response to a question raised in the Senate on October 27, 1994, by the Honourable Richard J. Doyle regarding Metropolitan Toronto and concerning proposals for social reform, lack of representation on working group and national forum on health, lack of representation of region.

## METROPOLITAN TORONTO

### PROPOSALS FOR SOCIAL REFORM— LACK OF REPRESENTATION ON WORKING GROUP— GOVERNMENT POSITION

*(Responses to questions raised by Hon. Richard J. Doyle on October 27, 1994)*

The role of members of the Working Group on Seasonal Work and UI is not to represent a region or a city, but rather to look for practical solutions to address the particular concerns of workers and employers in seasonal industries while still achieving the objectives of UI reform.

The five members of the Group were appointed solely on the basis of expertise, not on the basis of regional or local representation. They represent the interests of both seasonal and non-seasonal workers and employers. This being said, the members of the Group do provide some regional balance. The five members come from: Ontario, Quebec, Prince Edward Island, New Brunswick and British Columbia.

As of this date, the Working Group met with or received input from almost one thousand individuals from coast to coast to gain a better understanding of their concerns, including three days of hearings in the Toronto area in early December. While in the Toronto area, the Working Group met with organizations such as:

- the Business Coalition on UI Reform,
- the Canadian Tourism Human Resource Council,
- the Motor Vehicle Manufacturers Association, and
- the Provincial Building and Construction Trades Council of Ontario,

to discuss their concerns about seasonal work in this part of the country and elsewhere in Canada.

The Group has reported some of its preliminary findings to the Standing Committee on Human Resources Development. These findings were considered by the Committee as it prepared its recent report on social security reform.

On a final note, and in response to the very legitimate concerns of the Honourable Senator, over 29,000 jobs have been created over the past year in the immediate Toronto area, almost all of them fulltime.

### NATIONAL FORUM ON HEALTH—LACK OF REPRESENTATION OF REGION—GOVERNMENT POSITION

Several weeks ago my colleague, Senator Richard Doyle, asked about representation on the National Forum on Health — specifically why there is no representative of Toronto given its many health care facilities and three million residents.

In addition to the Prime Minister who is the chair, and the Minister of Health who is the vice chair, there are 22 members of the National Forum on Health.

In selecting members, the Government did not attempt to ensure that every region, every major city, or every particular health interest would be represented.

Each one of the twenty-two members has been appointed because she or he brings expertise and a unique perspective to the work of the Forum. As a group, the Forum members comprise a cross-section of the Canadian population and the diversity of views on how we can maintain and improve the health of Canadians.

In his remarks to Forum members at its inaugural meeting on October 20th, the Prime Minister stated that what the Forum is all about is "contributing to the development of a new vision for health for the 21st century."

We are confident that the 22 Forum members will effectively promote a dialogue with Canadians about their health system, set priorities for the future, and help Canadians develop a consensus on necessary changes. These are the tasks the Prime Minister has asked the Forum to undertake.

Forum members will not do this work on their own. There will be many opportunities for Canadians who are not members of the Forum to participate in its processes.

The Forum met in November and will meet again early in the New Year to identify its thematic priorities and to establish processes for its work. Conferences, town hall meetings, regional meetings, consultations on specific issues, electronic communications et cetera, are just some of the instruments the Forum will use to conduct a dialogue with and among Canadians. Canadians — both laypersons and professionals — from all parts of the country will have many opportunities and modes through which to participate.

Not surprisingly, some groups would like to have been represented on the Forum. But Forum members have been appointed to represent their own personal insights and views on how we can improve Canada's health system. They do not represent stakeholders, particular communities or professions.

It is possible that some further appointments may be made to the Forum, but if so, they would be very few in number.

The Forum, with its current roster of members can and will make a substantial contribution to the current debate about the future of our health system. They will do this in consultation and collaboration with Canadians. We encourage all Canadians to participate in this important process and the means will be provided for such involvement.

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

WORLD WAR II, EUROPEAN THEATRE OF OPERATIONS— LIST OF PRISONERS OF WAR RETURNED OR REPATRIATED TO CANADA

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 54—by Senator Bernston.

NATIONAL CRIME PREVENTION COUNCIL— DETAILS OF OPERATION AND COMPOSITION

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 57—by Senator Bernston.

NATIONAL FILM BOARD—AUDIT OF PRESIDENT'S EXPENSES

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 69—by Senator Phillips.

# ORDERS OF THE DAY

## DEPARTMENT OF CANADIAN HERITAGE BILL

SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Haidasz, P.C., seconded by the Honourable Senator Gauthier, for the second reading of Bill C-53, to establish the Department of Canadian Heritage and to amend and repeal certain other Acts.

**Hon. Noël A. Kinsella:** Honourable senators, I wish to make a few remarks with reference to Bill C-53. Recognizing that this legisaltion is a piece of machinery of government, it is best to get into the detail of such matters in committee. We look forward to that detailed study, understanding that perhaps the bill will be referred to the Standing Senate Committee on Social Affairs, Science and Technology.

However, we would be somewhat remiss if at this stage of debate on principle we did not point out what might appear to some as a flaw in a bill that is establishing a ministry as multi-faceted as the Department of Canadian Heritage.

The first flaw is the apparent lack of a provision requiring the minister to table in Parliament on an annual basis a report of the activities of that ministry so that Parliament can provide oversight and scrutiny to the activities that will be undertaken by that ministry. We should explore and understand better the rationale or the policy that underlays the absence of such a provision.

In terms of the substance, honourable senators, and again recognizing that this is machinery legislation, the bill, perhaps, does speak to a matter of some concern to a great many Canadians — certainly this Canadian. Many administrations have devoted a great deal of time and effort to promoting the activities of Canadian diversity. Indeed, we have in the Canadian Charter of Rights and Freedoms a clear constitutional value that multiculturalism or our diversity is a fundamental characteristic of Canadian society.

We must understand that Prime Minister Chrétien's plan, which in part was brought forward by the previous government, significantly modifies Prime Minister Campbell's vision of the ministry in one major respect. The major difference is that this plan leaves out of the responsibilities of the Minister of Canadian Heritage the promotion of Canadian citizenship.

Honourable senators, if the citizenship shared by all 27 million of us is not fundamental to our Canadian heritage, then what is? One ought to avoid exaggeration. However, I worry, quite frankly, that the right-wing agenda has seeped through into the benches of our friends opposite in an unfortunate way. Fortunately we do not search in vain. One can discover a number yet in the opposite benches who represent the liberalism that in the past was so supportive of multiculturalism and the promotion of our Canadian citizenship.

I should like to illustrate what I am speaking of here by drawing to honourable senators' attention the government's telephone directory. I do not have the research team I would need to analyse what is envisaged by the new Department of Canadian Heritage, so I went to the telephone directory. I wanted to determine the importance which the government is giving to multiculturalism and diversity as a result of removing the old Department of Multiculturalism and Citizenship, which was a discreet ministry devoted to the promotion of this fundamental characteristic of Canadian society — multiculturalism — and to which my honourable friend Senator Haidasz eloquently spoke at second reading last Thursday. As honourable senators know, the Honourable Senator Haidasz was the first minister of state responsible for multiculturalism.

Honourable senators, there are 39 columns in the telephone directory of the Government of Canada outlining the various divisions of the new Department of Canadian Heritage, of which two columns focus on multiculturalism. It seems to me that this speaks to the importance, or the lack of importance, that this government is placing on multiculturalism. Honourable senators will want to get to the bottom of this matter. We will want to be assured that the Canadian Multiculturalism Act of the Parliament of Canada — we have not repealed that act — will have the necessary infrastructure in place. The Secretary of State for Multiculturalism and the Status of Women is responsible for the administration of that act, and it is important that he or she have a sufficient infrastructure to be able to meet the objectives of that act of Parliament.

The second point I wish to underscore, honourable senators, is that 80 per cent of this new Department of Canadian Heritage involves Parks Canada — 80 per cent about parks and natural resources and a small percentage about human rights, citizenship and diversity. It is as if, in principle, there is a shift away from people to trees.

I do not understand the rationale for removing from the Department of Canadian Heritage the responsibility for citizenship, which was the vision of Prime Minister Campbell's government and ministry, and putting it with the Department of Immigration. The danger in that is that today in the Government of Canada we have a focus on Canadian citizenship which speaks to, as I said, the 27 million of us, focusing only on new Canadians or immigrants who seek to be integrated and to acquire Canadian citizenship. There is a fundamental shift here from what we had in the former Department of Canadian Heritage under Prime Minister Mulroney's government. Under that government, we had a free-standing ministry of multiculturalism and citizenship.

• (1500)

Therefore, honourable senators, we will want to examine this bill carefully in committee, and to hear from witnesses who will focus on this apparent shift from, as I see it, 80 per cent of the Department of Canadian Heritage not being about people. If the data from the 39 relevant columns of the telephone directory are any indication, only two of those relate to real people issues of our diversity and citizenship.

This change is occurring at a time when all of us are concerned about racism and the need to combat racism. All of us recognize that the richness of Canada in many ways is its diversity; that our heritage languages are the trading languages; that globalization impacts on us on every street corner of every city in the country, and in every village in all of the provinces. All that, and less than an inch of telephone numbers in this new department relates to the struggle to combat and to eradicate racism in all its forms.

This is not a bill that is purely machinery-of-government legislation which was, perhaps, what we thought it might be at first blush. Rather, this bill raises some fundamental questions of a shift away from people and our values. It is something we will want to examine.

With those remarks, honourable senators, we on this side at least will be looking forward to an examination of the bill in committee.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker** *pro tempore*: Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

EIGHTEENTH REPORT ADOPTED

The Senate proceeded to consideration of the eighteenth report of the Standing Committee on Internal Economy, Budgets and Administration (Internet), presented in the Senate on February 16, 1995.

**Hon. Earl A. Hastings** moved the adoption of the report.

He said: Honourable senators, the Internet is not a new phenomenon, even if it has only recently come to the notice of the general public. Government and business are now following the lead of the scientific and academic communities with respect to this means of communication which those communities have been using for more than a decade.

Parliament now has before it a proposal to join Internet. Your committee has completed the cost-benefit analysis and has come to the conclusion that for the relative sum of $600 per month, which would be our share of the parliamentary line, the Senate would be able to participate in this parliamentary initiative. For this fixed price, the Senate would be able to send e-mail worldwide. Furthermore, pricing costs could be reduced as more and more people have access to our parliamentary documents on line. Potentially, all senators and authorized staff could have access to Internet.

In summary, Internet is just another way for Parliament and for the Senate to communicate with its constituency. That is the purpose of the report of the committee. It is to recommend to honourable senators that we enter into this agreement with the House of Commons and share the parliamentary line.

Motion agreed to and report adopted.

SEVENTEENTH REPORT OF COMMITTEE ADOPTED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Hastings, seconded by the Honourable Senator Roux, for the adoption of the Seventeenth Report of the Standing Committee on Internal Economy, Budgets and Administration (Parliamentary Associations), presented in the Senate on February 14, 1995. — (*Honourable Senator Di Nino*).

**Hon. Consiglio Di Nino:** Honourable senators, in my absence — one of the very few from this chamber — this particular item was adjourned in my name. I must presume that someone felt that I had great knowledge and wisdom to impart on this issue to my colleagues.

The issue deals with parliamentary associations, an area with which I am not so very familiar. However, that issue was widely discussed at a meeting of the Internal Economy Committee. The only thing I have to add to what my colleague Senator Hastings has reported is that, having dealt with this particular matter over the last two or three months, in concert with Senator Hastings, we feel that it would be at least as beneficial to the Senate as the relationship had been prior to the establishment of this new council. We hope that honourable senators in this chamber will agree with us, and that they will give the matter their support, on the understanding that the council will continue to deliberate on behalf of this chamber with the members appointed to the council by the House of Commons.

I suggest that we adopt the report tabled by Senator Hastings one or two days ago.

**Hon. Allan J. MacEachen:** Honourable senators, I have a word to say concerning this report, which I support. I do not have the report before me. As I recollect from my reading of it, it stated that two members of the Standing Committee on Internal Economy, Budgets and Administration of the Senate should act on behalf of the Senate with respect to the management of parliamentary associations.

It occurred to me that, inasmuch as these parliamentary associations have most to do with international affairs, it would be reasonable to have one member of that council from the Senate drawn from the Internal Economy Committee and the other drawn from the Foreign Affairs Committee. In that way, our delegation would reflect the international context in which these parliamentary associations operate.

I know that there are certain members of the Internal Economy Committee, including the chairman, who have a vivid interest in international affairs. It appears to me that we would address our needs more directly by having a member of the Foreign Affairs Committee on the council. Thus, I will at least test the possibility of moving an amendment to bring that about. Unless someone has a violent objection, and because I am not violently in favour, I would not take on anyone who violently objects to it.

**Senator Di Nino:** Honourable senators, personally, I do not object to the suggestion of the Honourable Senator MacEachen. If he wishes to propose an amendment, at least from my standpoint as vice-chairman of the committee, I would find it more palatable as long as the two representatives were from each side of the chamber.

**Hon. Earl A. Hastings:** Honourable senators, I rise simply to answer the question posed by my distinguished colleague Senator MacEachen.

• (1510)

We chose the chairman and deputy chairman of the Standing Committee on Internal Economy, Budgets and Administration in observance of a suggestion by the Auditor General, who wanted to make the council responsible to the Senate. He said that the way to make it responsible to the Senate was through the Internal Economy Committee. The logical members would always be the chairman and deputy chairman of the Standing Committee on Internal Economy, Budgets and Administration, who would make their representations to both parties in the Senate.

I would reject the amendment.

**Hon. Eymard G. Corbin:** Honourable senators, I do not think there is an amendment before us, but I wish to speak to the main motion.

**The Hon. the Speaker** *pro tempore*: There is not an amendment before us.

**Senator Corbin:** Honourable senators, I do not wish to take issue with the gist of the report. However, there may be omissions in the general thrust of the report.

Senator Hastings has mentioned that the report flows from the leadership of the Speaker in the House of Commons and the former Speaker of the Senate, who is now our Governor General. I do not wish to take away the credit which is due them, but matters have to be put into context. This thing did not just happen out of a clear blue sky over the course of the summer months and last fall. The matter which this proposal attempts to address has been with us for many years. I find it strange that people lose their memory around here.

When Madam Jeanne Sauvé was Speaker of the House of Commons, from time to time she would hold general meetings of the presidents of the inter-parliamentary associations, and to those meetings she would invite the leadership of the Senate.

Policy matters respecting the general governance of the inter-parliamentary associations were put on the table, debated, and many times resolved. We should not leave the impression that up to this point in time things did not happen, had not happened, and that somehow both houses were forever in confrontational positions.

As well, after Madam Sauvé, initiatives were taken by other speakers of the House of Commons. I know this because I was an active member of at least one parliamentary association and I was given the opportunity to sit in on these meetings. They were meetings held at the highest level, if I may use the expression. They generally proved successful.

When Senator Charbonneau took the speakership of the Senate, Senator Tom Lefebvre and I asked to meet with him with respect to the general administration of the inter-parliamentary association. He received us in his office. Senator Charbonneau was also Chairman of the Standing Committee on Internal Economy, Budgets and Administration in those days. A program was set afoot to allow personnel of the Senate to be seconded to the administration of the inter-parliamentary association, or whatever that shop is called. That was a good step forward.

Another matter that happened over the years in the course of the examination of the Senate budget was that we were able to extract from that inter-parliamentary administration shop the travel of members. As has been said by Senator Hastings, the House of Commons pays 70 per cent of the expenses, while the Senate pays 30 per cent. That shop in particular, because it was under the control of the Speaker of the House of Commons, or the House of Commons, would never want to put on the table their activities of past years. We could not learn who travelled where and how often, and so on and so forth.

People like Senator Tom Lefebvre and I and others — I hope they will forgive me for not mentioning their names, but there were a number of us — said, "Unless you tell us what has been done with the money, you will not get any more money." They coughed, we got the information, and the budgets were approved.

I personally intervened in private on a number of occasions with the Chair. Indeed, I intervened frequently when I was a member of the Standing Committee on Internal Economy, Budgets and Administration, requesting reform of the administration of that shop. I was known as the great complainer in those matters. However, over the years, that has produced results.

There has been an accretion of initiatives to the point where all of a sudden Speaker Parent and Speaker LeBlanc are being put on the altar and lauded as the ones who made it all possible. It may well be that circumstances came together and gelled to make it possible, but a heck of a lot of groundwork was done in the intervening years in back rooms, smoking rooms, caucuses and in the Standing Committee on Internal Economy, Budgets and Administration to bring this about. It took a number of years before we even reached this point.

I will support this budget. However, as I pointed out in letters to Senator Hastings and others last summer, I think we could have gone further. The Senate could have taken more responsibility upon itself and formed its own parliamentary exchange associations with other jurisdictions in matters which are of special interest to the Senate, rather than being lumped jointly with the activities of the commoners, who do not share the same preoccupations or the same degree of interest in matters that preoccupy us. I think that ought to be the next step.

• (1520)

**The Hon. the Speaker** *pro tempore*: Honourable senators, if the Honourable Senator Hastings speaks now, his speech will have the effect of closing the debate.

**Senator Hastings:** Honourable senators, I wish to thank those who have participated in the debate.

In response to Senator Corbin, in fairness I did not say that this agreement had its beginnings with the cooperation that came about between the two speakers. I said that it probably had its beginnings in 1992 with the report of the Auditor General, who drew attention to the divisions at that time, and recommended certain procedures to alleviate those divisions.

In fairness, I did say that the report resulted from a great deal of work by a lot of people. The two speakers did contribute to the report in that they encouraged us and inspired us to cooperate, and get on with the business of the report.

In response to the question raised by Senator Murray, I am pleased to advise that at a meeting of the negotiators for both sides on February 7, it was agreed that research would be part of the application which each association would bring to the committee for approval. As I indicated at that time, that has been accepted by the two negotiators, and presumably we will accept it at the first meeting of the council.

I thank honourable senators for their kind words and participation, especially those of the deputy chairman of the committee, Senator Di Nino.

**The Hon. the Speaker** *pro tempore*: Honourable senators, it was moved by the Honourable Senator Hastings, seconded by the Honourable Senator Roux, that this report be adopted. Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

[*Translation*]

## CANADA COUNCIL

### CONSULTATIONS ON THE FUTURE—INQUIRY DEBATED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Roux, calling the attention of the Senate to the fact that Mr. Roch Carrier, Director of the Canada Council, and Ms Donna Scott, Chair of its Board of Directors, are completing a cross-Canada tour undertaken to consult with

> Canada's arts community on the Council's future, given that additional cuts planned for the coming fiscal year may seriously compromise the Council's original mission. — (*Honourable Senator Berntson*).

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I just want to comment briefly on Senator Roux's presentation to which I listened and which I read very attentively, being aware of his great knowledge of the arts community. However, I have a few comments on certain aspects of his presentation which struck me upon reading the text, and I would like to quote the following:

> Also — and this is even more serious — the subsidies of private companies impose a form of self-censorship on the artist. The private sector, by its sponsorship, generous though it is, serves to determine the content of the art.

As far as I am concerned — and I am sure I am not alone in this house in having had the experience — I was very active both as a fundraiser and a donor when I was in the private sector, and there were never any strings attached to such funds.

I know of no private company that imposes a form of self-censorship on an artist or a group of artists, nor of any artist or group that has had that experience. I hope that when Senator Roux concludes the debate on his inquiry, he will clarify his comments and perhaps make some adjustments, because if his comments stand, they reflect unfairly on those who have helped many Canadian artists pursue their careers without qualifying their support.

I hope that when it is his turn to reply or add to what he has already said, he will be able to clarify his comments which, to me, are most unfair.

**Hon. Jean-Louis Roux:** Honourable senators, may I respond to what Senator Lynch-Staunton has said? Honourable senators, self-censorship is not imposed. That is what is so insidious about it. You are absolutely right: No private company has ever imposed self-censorship. Self-censorship imposes itself. For instance, a theatre group is not going to perform *Capitaine Schelle, Capitaine Eçço* by Rezvani if the group gets funding from Imperial Oil.

Similarly, a dance group may refrain from programming an overly explicit choreography of *Prélude à l'après-midi d'un faune* if the Royal Bank's name and logo appear on the theatre marquee. That was the point I was trying to make. Obviously, no private company would attach any strings to its donations to culture and the arts. They do not have to. Self-censorship kicks in automatically.

**Senator Lynch-Staunton:** Honourable senators, once again, this issue may not interest everyone, but I do not think this example in any way contradicts what he said. Senator Roux made it clear that subsidies from a private company impose an insidious form of self-censorship on the artist. The implication is that any group or individual receiving a donation from the private sector must immediately make sure, when selecting their programs, that the donor will not be offended. I must admit I do not know of any that would react in this way.

When I was working for a company, a distillery, and we gave money to theatre groups, we did not enquire or make sure that they not perform a play in which people were drunk on the stage. I do not think a theatre group would argue that since the company gave us the money, we have to be careful about the kind of plays we perform. I think you are exaggerating, to say the least.

**The Hon. the Speaker:** Honourable senators, if no other senator wishes to speak, this inquiry is considered debated.

[*English*]

## REVIEWING CANADA'S FOREIGN POLICY

### MOTION TO PRINT VOLUME I OF SPECIAL JOINT COMMITTEE REPORT—DEBATE ADJOURNED

**Hon. Allan J. MacEachen**, pursuant to notice of February 16, 1995, moved:

> That the Senate order the printing, in its original format, of 500 copies of Volume I of the Report of the Special Joint Committee Reviewing Canada's Foreign Policy entitled "Canada's Foreign Policy: Principles and Priorities for the Future"; and
>
> That an amount not exceeding $7,500 be allocated for that purpose.

He said: Honourable senators, regarding the background of this motion, you will recall the report of the Special Joint Committee on Canada's Foreign Policy, which was tabled in the Senate at the end of October or early November.

The co-chairs of the committee, following advice, decided to print the report in the form of three volumes. The first volume was entitled, "Canada's Foreign Policy: Priorities and Principles for the Future" and it constituted the main report of the committee. Under the rules, that volume constituted the committee report. The second volume was made up of dissenting opinions.

The third volume was devoted to four position papers which had been commissioned by the committee, including a paper on each of trade, finance, culture, security and international development.

• (1530)

In the House of Commons, the Bloc raised a point of order against the form of the report, arguing that the dissenting opinions ought to be included as part of the main report. Presumably this is because it would give the dissenting opinions a momentum which they would not have on their own, since insofar as the Bloc was concerned, the dissenting opinion was a stand-alone report which could be regarded as an outline of the

foreign policy of an independent Quebec. Presumably it was their intention to have that foreign policy statement integrated within the foreign policy statement for Canada. I can only suggest and speculate upon that objective because, from a reader's point of view, it would be more convenient to read these reports in separate volumes.

That is what the co-chairs had in mind. The Speaker of the House of Commons made a ruling to the effect that, in the future, if a reprinting was required, the dissenting opinion should somehow appear within the main report, right after the signatures of the co-chairs. It was at that stage that a point of order was raised in the Senate by myself, arguing that, inasmuch as this was a joint report of two houses of Parliament, it was beyond the competence of the House of Commons to decide unilaterally on the configuration of the report.

In any event, the Speaker of the Senate ruled last week. I interpreted his ruling, at least from my point of view, to provide a remedy for the present unsatisfactory situation. The 5,000 copies originally printed have all been distributed. Those who come now asking for a copy of the report cannot obtain one. It seems to me that it would be desirable to make available additional copies.

Based upon the Speaker's ruling, I gave notice of this motion, receiving encouragement from the ruling of the Speaker and also from other members of the Senate. For example, Senator Kelly came to me after I made my statement following the Speaker's ruling and said, "Why not put a motion down and order the reprinting of the report?" That is what I have done.

This motion asks the Senate to order the reprinting of 500 copies of the main report, and stipulates that not more than $7,500 be allocated for the reprinting. Presumably it is an instruction, in a sense, to the Standing Committee on Internal Economy, Budgets and Administration to allocate their funds as available for this purpose.

Out of my respect for the autonomy of the particular role of the Standing Committee on Internal Economy, Budgets and Administration, I have given the chairman of that committee advance warning that I intended to move this motion. I have also consulted with Senator Kelleher, who, as honourable senators may know, was the lead member of the opposition on the Special Joint Committee. My consultations with him have elicited his strong support for this motion.

I recommend this motion to honourable senators on the grounds that the report is still in demand. Even if the demand were less than it was, it is important that this document be made available for some time in the future. An additional argument, of course, is that the government recently responded in a detailed way to the report of the special joint committee. The government response follows the recommendations of the committee consecutively. You can take a copy of the report and look at the first recommendation, and then find in the government response the precise answer or the precise attitude toward each particular recommendation. It would be useful for people still interested to have an opportunity to obtain this report. That is the purpose of my motion.

I should add that there are still copies available of the dissenting opinions. They have not all been called upon. Many copies of them have been taken, but there are still copies left. If they are exhausted, I would look to the Bloc to join up with the Reform Party in the House of Commons to have the reprinting of the dissenting opinions financed by the two opposition parties in the House of Commons.

On motion of Senator Lynch-Staunton, debate adjourned.

The Senate adjourned until Wednesday, February 22, 1995, at 1:30 p.m.

# THE SENATE

**Wednesday, February 22, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### MULTICULTURALISM

TERMINATION OF REDRESS DISCUSSIONS WITH ETHNOCULTURAL ORGANIZATIONS

**Hon. Donald H. Oliver:** I rise today to speak on behalf of six ethnocultural organizations which were affected by the December 14, 1994 announcement of the Minister of State for Multiculturalism. On that date, the minister unilaterally terminated discussions with the Canadian Jewish Congress, the Chinese Canadian National Council, the German Canadian Congress, the National Association of Canadians of Origins in India, the National Congress of Chinese Canadians, the National Congress of Italian Canadians, the Ukrainian Canadian Congress and the Ukrainian Canadian Civil Liberties Association on the claims for redress made by these organizations.

As a sop to these organizations, and to all ethnic minorities in Canada, the minister announced that sometime this spring, the spring of 1995, the government would proclaim into force the statute which establishes the Canadian Race Relations Foundation. This action taken by the minister in terminating the redress discussions is unacceptable to me and to all other Canadians who value human rights in this country.

In my writings, and in the speeches I make in this chamber on the subject of minorities, I often state that the degree of political sophistication of a country can be determined by the treatment afforded to its minorities.

The work of the previous government in this field made me feel proud to be a Canadian and a member of the Progressive Conservative Party. The elevation of Canada's aboriginal peoples to near self-government status and the settlement reached with the Japanese Canadian community concerning redress are only two examples of work done in this area between 1984 and 1993.

Since taking office, the Liberal government has retreated from its Red Book position of support for minorities. Its appointments to the National Crime Prevention Council, changes in immigration policy and omission of visible minorities from the social policy review are glaring examples of this change of position. The unilateral termination of these discussions on redress is just the latest example. I urge the minister to reconsider her decision in relation to the redress discussions.

I further urge the minister to move as quickly as possible to bring the Canadian Race Relations Foundation into existence and to fund it at a level that will allow it to do meaningful work on behalf of all minorities.

### THE ECONOMY

BUDGET PAPER PRODUCED BY REFORM PARTY

**Hon. Ron Ghitter:** Honourable senators, yesterday I rose to suggest that, in my view, this government will not have the courage to implement the necessary measures to attack the debt-deficit problems of this country.

Lest I be misunderstood, I wish to clearly disassociate myself from the views expressed by the Reform Party in their so-called "Taxpayer's Budget," which they released yesterday. Never have I read such a narrow-minded, mean-spirited, elitist document as this draconian plan to allegedly "provide social and economic security to Canadians in the 21st century."

In a blind assault on the federal budget, the Reform Party would have the Government of Canada cut social programmes by $15 billion, turn the care of our elderly and unemployed over to charities, cut back pensions to our seniors, cut transfers to the provinces by $6.6 billion, or 25 per cent, and reduce $1 billion from federal support for health and education.

Who will carry the burden of the Reform Party's endeavour to balance the federal budget in three years? It will not be the rich, that is certain. These measures will again be carried on the backs of our middle class and our poor, who will face added indirect taxation that they can ill afford.

The result of this economic plan by the Reform Party and the downloading of additional financial burdens on the provinces will be reduced services and programs, reduced public education programs, public libraries will be closed, additional increases in tuition costs, declining services in hospitals, declining transportation services, higher property taxes, higher rents, higher housing prices, and reduced police services.

Ultimately, these plans — if, heaven forbid, they should ever become a reality — would drive this nation into a recession, and all of the Reform Party's desires to restore confidence in the Canadian economy by their American-style "survival of the fittest" philosophy would be to no avail.

Let it be known to Canadians that the Reform Party, rather than being representative of the people and populist, as they allege, is merely a puppet party dancing to the tune of the business elite; a party that has forsaken Canadians, and is willing to meet their political ends on the backs of the middle class and poor Canadians. Theirs is not a solution of fiscal or social responsibility; it is a solution designed to gain attention and notoriety without such responsibility.

However, one humorous aspect which honourable senators who read this document will enjoy is the statement by the Reform Party that they wish to repeal mandatory retirement wherever it exists. This means that the Reform Party would support the rights of those senators who wish to stay in the Senate beyond the age of 75, and as long as they so desire. A nice, unusual turn by the Reform Party.

Honourable senators, I believe it is time that the duplicity of the Reform Party is exposed, and that Canadians come to realize that they are merely a party representative of the rich, with little care for average Canadians.

## CORRECTIONAL SERVICE

USE OF MALE EMERGENCY RESPONSE TEAM TO STRIP-SEARCH INMATES AT KINGSTON PRISON FOR WOMEN—GOVERNMENT POSITION

**Hon. Erminie J. Cohen:** Honourable senators, by this time, most Canadians have had a chance to witness the appalling and degrading treatment of women inmates at the Kingston Penitentiary, as shown on the CBC public affairs program *The Fifth Estate* on February 21, 1995. While it is commendable that the Solicitor General has moved to establish an independent investigation into this incident, some questions remain.

The incident at Kingston Penitentiary took place in April of 1994. The special report of the Correctional Investigator, which was completed on February 14, 1995, was released to the public yesterday, February 21, 1995. One wonders why it took so long for the government to complete the report and to release it.

• (1340)

While no one would condone the violence by the women inmates, it is even more difficult to condone the sadistic actions of the emergency response team. Contrary to the assertion of the board of investigation report, the response team's raid took place in what appeared to be a non-emergency situation. According to the Correctional Investigator's report, an obvious level of cooperation was being displayed by the inmates. During this time, women inmates were stripped, searched by male guards, and forcibly held in poses and positions which depicted them in degrading and dehumanizing terms. The video shows images of female bondage. Subdued women inmates were poked and prodded with batons and shields while their clothes were being forcibly removed by the male guards.

Much of how this incident unfolded is at variance with the initial report of the board of investigation, which appeared to "sugar coat" the incident. There is a strong indication that the warden responsible for calling in the emergency team was part of a cover-up. I hope the Solicitor General will consider suspending the warden until an independent investigation is completed.

In the event that the independent inquiry confirms that the actions of the ERT were inconsistent with the guidelines set by the Correctional Service of Canada, then members of the ERT should be charged with sexual assault.

# ROUTINE PROCEEDINGS

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday next, February 28, 1995 at two o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## INCOME TAX ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-59, to amend the Income Tax Act and the Income Tax Application Rules.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on Orders of the Day for second reading on Tuesday next, February 28, 1995.

## UNEMPLOYMENT INSURANCE ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-216, to amend the Unemployment Insurance Act (jury service).

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Stollery, for Senator Gigantès, bill placed on Orders of the Day for second reading on Tuesday next, February 28, 1995.

## THE BUDGET, 1995

STATEMENT OF MINISTER OF FINANCE—NOTICE OF INQUIRY

**Hon. Mira Spivak:** Honourable senators, I give notice that on Tuesday next, February 28, 1995, I shall call the attention of the Senate to the state of the Canadian economy and the budget to be presented by the Minister of Finance on Monday, February 27, 1995.

[*Later*]

## THE ENVIRONMENT

SUSTAINABLE DEVELOPMENT—NOTICE OF INQUIRY

**Hon. Janis Johnson:** Honourable senators, I give notice that on Wednesday next, March 1, 1995, I will call the attention of the Senate to the environment and to the issue of sustainable development.

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# QUESTION PERIOD

## REVENUE

INCOME TAX—CAPITAL GAINS ELECTION—EFFECT ON SENIORS

**Hon. Terry Stratton:** Honourable senators, my question is addressed to the Honourable Leader of the Government in the Senate. A problem from last year's budget has been brought to my attention. It concerns an elderly woman with virtually no income but who is lucky enough to own a small cottage. She faces a very unpleasant choice. She can either give up her entire supplement and live on virtually nothing this year, or she can lose the exemption for previous capital gains on her cottage.

By way of explanation, last year's budget took away the capital gains exemption, but allowed taxpayers to lock in the exemption for gains up to budget day if they declared them on their 1994 returns. However, to do so, you must inflate your net income. You then take out the gains so that your taxable income is not affected. However, net income is the test not only for the seniors' supplement but for the child tax benefit, the pension clawback, and the GST credit.

Will the minister make representations to her colleagues the Ministers of Revenue and Finance so that no senior will be deprived of his or her supplement this year simply because they want to lock in their capital gains, for example, in a cottage?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank the honourable senator for his question, and I will send his comments as they appear in Hansard over to my colleague as soon as they appear. I would also be pleased to forward any supporting information which he might have that would be helpful in this case.

CAPITAL GAINS ELECTION—DISSEMINATION OF INFORMATION TO PUBLIC—REQUEST FOR STUDIES ON EFFECTIVENESS OF MEASURE

**Hon. Terry Stratton:** Honourable senators, I have a supplementary question. A second problem arises with the manner in which this senior citizen found out about her choices. Like many Canadians, she gets her taxes done at a tax preparation firm. If they had not asked her if she owned a cottage, she would not even have known about the capital gains election. I have seen several examples of this.

Honourable senators, this measure affects everyone who owns shares, a cottage, a coin or art collection, rental property, or an unincorporated small business. Can the minister report back on exactly what has been done to inform Canadians that they must make a capital gains election this tax season? At the same time, could she report back on any studies that have been made as to the effectiveness of these measures? It is a fairly critical question, because as I talk to people who have cottages and other such assets, they are not aware that they must make a capital gains election this year, even though the perception out there is that a lot of people do know about it.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will transmit that question to the minister as well.

## THE BUDGET

DEFINITION OF TAX LOOPHOLE

**Hon. David Tkachuk:** Honourable senators, I have a question for the Leader of the Government in the Senate. The Minister of Finance and other government ministers have said that they expect to close tax loopholes in the upcoming budget. There has been much discussion in Canada, in the newspapers and media, about what tax loopholes are. I ask the Leader of the Government in the Senate what the government's definition of a tax loophole is, so that all Canadians may know what they are talking about.

• (1350)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, that is a question which should await the presentation of the budget.

STATUS OF RRSP AS TAX LOOPHOLE—GOVERNMENT POSITION

**Hon. David Tkachuk:** Honourable senators, that is the same kind of answer I was given yesterday by the Leader of the Government in the Senate. It is not a question which need await the budget. We either have tax loopholes or we do not. After all, what is a tax loophole? I do not think an answer to this type of question would be giving away any government secret.

Let us go one step further, honourable senators. Is an RRSP a tax loophole?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to transmit the honourable senator's questions to the Minister of Finance for his comments.

**Senator Tkachuk:** Honourable senators, I am becoming somewhat frustrated. I did not raise the matter; it was raised by the government. It is the government that is talking about closing tax loopholes. It is the government that is telling the people of Canada that there are tax loopholes, and that people are not paying taxes that they should fairly pay.

As a representative of the government, the Leader of the Government in the Senate has the responsibility to tell honourable senators what a tax loophole is, or else the government should not talk about them at all.

**Senator Fairbairn:** Honourable senators, the question raised by my honourable friend will be transmitted to my colleague, and I will get the answer to him as soon as possible.

As far as the budget is concerned, it will be presented at 4:30 p.m. on Monday next. It will be a tough, fair and good budget for Canada.

## AGRICULTURE

### REDUCTION OF GRAIN TRANSPORTATION SUBSIDIES— ASSISTANCE TO FARMERS FOR INCREASE IN RAIL FREIGHT COSTS—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, my question is for the Leader of the Government in the Senate. It concerns grain transportation subsidies. Given that the Minister of Agriculture has warned farmers that transportation subsidies will be reduced, or possibly eliminated in concert with a one-time pay-out, farmers will be required to pay the full cost of shipping grain to ports for export.

Currently, Manitoba farmers, whose grain typically travels a distance of 600 miles to Thunder Bay, have $10.68 per tonne deducted from their initial payment. If the Crow benefit paid to railways is phased out and farmers are required to pay the full shipping costs, they would face increases in the order of $22 per tonne.

I also understand that the government is contemplating allowing the Canadian Wheat Board to change the method of determining the cost to individual producers. If these measures are implemented for Canadian farmers as a whole, a movement from "pay the railways" to "pay the producer" would mean an increase in freight costs of roughly $15 per tonne. However, in Manitoba, because of additional factors, farmers could face a stunning $30 per tonne increase.

Will the Leader of the Government lobby the Minister of Finance and ask him how he intends to alleviate this exceptionally heavy burden on Manitoba farmers if these measures are undertaken?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, Senator Spivak will understand that any comment on the WGTA will have to await the budget. As the honourable senator may know, over the course of the last few months the Minister of Agriculture has been consulting widely among farm organizations, the provinces and other groups who are particularly interested and affected by this measure. Various suggestions have been made. We will have to await the budget. I am sure that in any calculations that are being contemplated, fairness to Manitoba will be a consideration.

### REDUCTION OF TRANSPORTATION SUBSIDIES— EFFECT ON MANITOBA ECONOMY

**Hon. Mira Spivak:** Honourable senators, I thank the Leader of the Government for her emphasis on fairness, which I think is the issue here. Will she also speak to her colleagues about the impact of these changes in subsidies? Apparently, these relatively straightforward technical adjustments in subsidies for the transportation of grain will change the economy of Manitoba from a wheat-based economy to a beef-based economy and will also have an impact on railway lines, as well as the environment.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I know that a tremendous amount of thought has been given to this particular issue. This issue has a history not only in Western Canada but also in this place in that it is regarded as one of the most difficult western issues to come before Parliament. I know that the Minister of Agriculture is conscious of the situation. He has been careful in his considerations. I will certainly bring the comments of my honourable friend to his attention.

## THE BUDGET

### THRESHOLD FOR CLAWBACKS— CONSULTATIONS WITH SENIOR CITIZENS

**Hon. Ethel Cochrane:** Honourable senators, I refer the Leader of the Government to an article in the February 13 issue of *Maclean's* entitled, "Martin's Options" in which it is reported that over 100,000 Canadians have written the government to express their concerns about the impending tax hike. They believe that they are already overtaxed and that the government should clean its own house before it turns to taxpayers' pockets.

Of particular concern to senior citizens is a possible tightening of clawbacks. Last year's budget imposed a clawback on the age credit of anyone with income above $26,000. Can the minister assure us that that amount will not become the new threshold for clawbacks to Old Age Security? I realize that the minister cannot comment on what is in the budget, but can she tell us what type of consultations have taken place with seniors groups in the areas of taxation that may affect them?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators will appreciate that many of the questions that have been asked in the last few days are matters which may or may not impinge on the budget. As such, I cannot offer comment on them.

Concerning the question of consultation, I know that, as a follow-through from last year's budget when such discussions were undertaken, there has been considerable consultation in this area during the past year.

More specifically, I will place the question raised by the honourable senator before the ministers involved to see if I can obtain a more precise answer. However, I know from my colleagues that there have been numerous discussions with seniors groups. I shall try to obtain a more specific response for Senator Cochrane.

PRIVATE PENSION INCOME—POSSIBLE ELIMINATION OF TAX CREDIT—CONSULTATION WITH SENIOR CITIZENS

**Hon. Ethel Cochrane:** Honourable senators, when the Leader of the Government is consulting with the minister, perhaps she could also find out about the rumour that is circulating that the government may eliminate the 17 per cent tax credit on the first $1,000 of private pension income. I should like to know if there has been any consultation on this subject with seniors.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will give my friend the same answer: I will be pleased to pass on her question to the minister.

## THE ENVIRONMENT

GREENHOUSE GAS REDUCTION STRATEGY— FAILURE TO REACH AGREEMENT—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, I have a question for the Leader of the Government concerning the greenhouse gas strategy. This week, federal and provincial ministers of the environment failed to reach agreement on an adequate greenhouse gas reduction strategy to achieve the very modest goal of stabilizing greenhouse gases at 1990 levels by the year 2000. The gap between what they pledged and what can be achieved is in the order of 13 per cent.

Failure on this issue is a serious matter that could devastate our forestry, fisheries, agricultural productivity, and inexorably alter the lives of Canadians. Many political spokesmen and environmentalists have suggested that regulatory measures, as well as voluntary measures, are necessary to reach the desired goal. Redirection of tax incentives and subsidies to energy efficiency and energy conservation programs which would create thousands of jobs would also help.

Is the government still prepared to honour Canada's commitment, and its own tougher commitments contained in the Red Book, by regulation and a redirection of subsidies to fossil fuels instead of the voluntary measures that have been discussed?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will need to ask my two colleagues Ms Copps and Ms McLellan for specific responses to those questions.

At the conclusion of the recent conference, the Deputy Prime Minister indicated her disappointment that the objectives had not been met to the degree to which the federal government would wish.

As my honourable friend knows, the Red Book indicates that one of the initial ways of reaching the goal is through discussions with the provinces. The government knows that real progress on climate change still depends on the active participation of the provinces, the municipalities and the energy sector. Considerable effort will continue to be made in those directions.

**Senator Spivak:** Honourable senators, I thank the Leader of the Government for her answer. Can the Leader of the Government tell us whether all of the provinces present at the recent meetings were indeed in favour of mandatory regulation and other measures, except for one, that being Alberta, which insisted on voluntary measures only?

**Senator Fairbairn:** Honourable senators, I should like to verify my response to that question.

## CORRECTIONAL SERVICE

INCIDENCE OF TUBERCULOSIS IN ONTARIO PENITENTIARIES— GOVERNMENT POSITION

**Hon. Earl A. Hastings:** Honourable senators, I wish to address a question to the Leader of the Government in the Senate and ask her to consult her colleague the Solicitor General with respect to the rampant epidemic of tuberculosis which is prevalent in Kingston penitentiary. I understand that over 122 staff and inmates have tested positive for tuberculosis, and that the disease is spreading to Millhaven and Collins Bay penitentiaries in the Ontario region.

Can we have a definitive answer from the government on that situation, and on what steps are being taken by Correctional Service Canada with respect to this epidemic?

**Hon. Joyce Fairbairn (Leader of the Government):** I thank my honourable friend for his question. I was not aware of those details. I will pass them on to the Solicitor General in order to get a response.

REFERRAL OF TUBERCULOSIS PROBLEM IN PENITENTIARIES TO MINISTER OF HEALTH— GOVERNMENT POSITION

**Hon. Lowell Murray:** Honourable senators, the honourable minister might put a question concerning that matter to her colleague the Minister of Health. One does not wish to be alarmist, but there have recently been suggestions from qualified sources that tuberculosis, which many of us had thought was a disease of the past, is coming to the fore again in this country as a serious health problem. The Minister of Health may have some information to bring to the house on that matter.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to do that. I am aware, as is the honourable senator, that this disease seems to be rejuvenating, not only in Canada but elsewhere. The comments of Senator Hastings are very disturbing. Also disturbing is the rate at which this disease advances, particularly within groups of our native population on reserves.

**Hon. Earl A. Hastings:** Honourable senators, what disturbs me more than the fact that the disease is rampant is the complete cover-up by Correctional Service Canada of the situation in the Ontario region. It is for that reason I am asking the minister to clarify the situation, and to give us a definitive statement on what is transpiring.

**Senator Fairbairn:** I will be pleased to follow up on that. As my honourable friend knows, the Solicitor General is very assiduous in his pursuit of facts on these issues as they develop in the prison system. I will certainly ensure that my honourable friend receives what we hope will be a satisfactory response to his questions.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have two delayed answers. One is in response to a question raised in the Senate on November 29, 1994, by the Honourable Senator John Sylvain regarding the proportion of non-military items in the defence budget.

I also have a response to a question raised in the Senate on December 13, 1994, by the Honourable Senator Spivak regarding a threat to the sugar industry under the new GATT rules.

## NATIONAL DEFENCE

### PROPORTION OF NON-MILITARY ITEMS IN BUDGET— GOVERNMENT POSITION

*(Response to a question raised by Senator Sylvain on November 29, 1994)*

The Department of National Defence does not maintain two sets of books, one for defence expenditures and one for regional development; therefore, a detailed quantified answer to this question is not possible.

Government spending in general serves a broad range of public policy interests. Indeed, there are existing Government policies which direct Public Works and Government Services Canada (PWGSC) and individual departments in this regard. Defence spending, while specifically focused on national security interests, also often results in benefits in other fields such as regional development. This is particularly true given the scale of the Defence capital budget (approximately $2.5 billion) and the importance of defence procurement in sectors such as aerospace, shipbuilding and high technology generally.

Within its Capital program, the Department identifies the industrial and regional development benefits associated with each major project. This information is detailed in the National Defence Estimates Part III, by project. These benefits are negotiated with individual companies by PWGSC, in concert with Industry Canada (IC) and regional agencies, usually as part of a major equipment contract. Consequently, while the benefits are usually specifically identified, the cost of these can not be isolated from the cost of the equipment.

As indicated in the 1994 Defence White Paper, in order to make more effective use of its resources, the Department will increase its procurement of off-the-shelf commercial technology and enhance partnerships with the private sector on a business-case basis. This new approach to procurement will limit opportunities for defence spending to directly contribute to other public policy interests.

The Department's Canada-wide infrastructure also has been viewed by some as being the product of regional development interests, with under-utilized facilities continuing to be maintained for non-defence reasons. It should be noted that, for readiness and mobilization purposes, we maintained, until recently, an infrastructure designed for the support of a Force considerably larger than that which existed. Recent changes in the international strategic situation have allowed DND to implement significant reductions in its support infrastructure, namely to operate fewer, generally larger, multi-purpose support bases. While these facilities will be important in the local economies, their purpose will be unequivocally military.

Concerns about the use of the defence budget for non-defence purposes are not new to DND. The issue has been raised by the Auditor General, as well as many others in the Defence community. The recent significant reductions to defence funding make it imperative that we extract the last ounce of military capability out of every dollar spent. To that end, while there may be industrial benefits associated with specific defence expenditures, all reasonable steps are being taken to recognize and limit any additional costs imposed on the Department.

## AGRICULTURE

### THREAT TO SUGAR INDUSTRY UNDER NEW GATT RULES— GOVERNMENT POSITION

*(Response to question raised by Hon. Mira Spivak on December 13, 1994)*

The Government of Canada has been seeking a satisfactory resolution to the issue of access to the U.S. market for sugar and sugar containing product in a way that would protect existing levels of trade. More recently, the Government made vigorous efforts to have the new U.S. restrictions affecting sugar containing products postponed from the January 1, 1995 implementation date in order to provide more time for a mutually acceptable negotiated solution. Despite these efforts the U.S. Administration was unwilling to consider a deferral and the new restrictions took effect on January 1, 1995.

On December 16, the Minister of Agriculture and Agri-Food, the Honourable Ralph Goodale, met with representatives of the Canadian industry and spoke to the provincial governments to advise them of this outcome. The Government is sensitive to the industry's concerns and will continue to consult closely with the industry and the provinces to develop a strategy for defending Canadian interests.

On January 31, the government has placed export controls on sugar-containing products so as to ensure fair access for Canadian producers to the U.S. quota.

It is continuing its discussions with sugar refiners and other participants in the industry as to the options that are open to it. A formal response to the U.S. actions can be expected soon.

On February 10, Minister MacLaren requested formal consultations under NAFTA related to Canadian concerns about access to U.S. market for sugar and sugar-containing products.

More recently, the Prime Minister has indicated that he will raise this matter when the President of the United States visits Ottawa on February 23 and 24.

## ORDERS OF THE DAY

### IMMIGRATION ACT
### CITIZENSHIP ACT
### CUSTOMS ACT

BILL TO AMEND—SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Bosa, seconded by the Honourable Senator Watt, for the second reading of Bill C-44, to amend the Immigration Act and the Citizenship Act and to make a consequential amendment to the Customs Act.

**Hon. Consiglio Di Nino:** Honourable senators, no one in this chamber will disagree with the statement that Canada has benefitted greatly from immigration. This country has been built, both literally and figuratively, by immigrants. Canada is not only a country which receives immigrants but a nation which actively promotes immigration as a means of enriching itself culturally and economically.

As stated by our former colleague the Right Honourable Roméo LeBlanc in his first address as Governor General last week:

> We are all immigrants to this land. It's just that some of us came earlier than others. And those who came earlier were welcomed by First Nations Canadians already here for quite some time.

As an immigrant to this wonderful country, I take the entire issue of immigration to heart. Since I have had the privilege of serving Canada and my fellow Canadians in this place, I have always taken a careful and considered view toward the legislation we are asked to debate and decide upon. With respect to bills involving social policy, I believe it is imperative to examine these proposals with both an objective and a subjective eye. As a representative of the Canadian people, the reason for objective judgment is clear.

However, as an immigrant to this country, a degree of subjectivity on my part is unavoidable. Even with the initiatives of former governments and their immigration reform, I have consistently viewed these bills with an eye to how they would affect my family and their dreams. Additionally, I ask myself, "How does this legislation affect my community and, most important, how does this reform affect all Canadians: new and old immigrants, children and grandchildren of immigrants, and those who have come to Canada seeking our protection?" All these Canadians must be held in mind when we assess this and similar legislation.

In reviewing Bill C-44, it is important to be mindful of the fact that it deals with only one, yet very vital, aspect of Canada's immigration program: that of enforcement. Today, immigration alone is a topic which stirs emotions and elicits frank opinions from all directions.

• (1410)

Canada is not alone in its self-examination of immigration policy. With 23 million people on the move worldwide, immigration will continue to dominate the international legislative agendas as one of the primary social issues of our time.

Immigration enforcement, in the Canadian context, is a social issue unto itself. Our world is changing very rapidly, and we must be prepared to deal pro-actively with the challenges we now face with respect to the protection of our borders.

The last annual report of the Security Intelligence Review Committee stated that the first concern of national security is the entry into Canada of those persons who have committed serious crimes or human rights violations in their country of origin. Honourable senators, are we doing our best as legislators in confronting this extremely significant problem? Will Bill C-44 be sufficient to handle the degree of threat our country now faces with respect to the vulnerability of our borders?

Just three months ago, an international symposium on organized crime was held in Toronto. Chief among the discussions at this conference was that Canada is fast becoming a haven for criminals as a result of the permeability of our borders. The easy movement of people and the absence of strict laws regarding laundering of money was the focus of their discussion. One drug trafficker, interviewed in January of this year for Mike Duffy's program, *Sunday Edition*, is quoted as saying:

> Canada is so easy. So nice to work with. A lot of the big drug lords are investing money in Canada. If you're going to get caught, get caught in Canada.

Without proper management and sure direction, the enforcement component of Canada's immigration program is certain to fail. Clearly, if this part of the system is jeopardized, so too are the other fundamental principles that form the basis of Canada's commitment to immigration. Canada's internationally renowned system of providing a safe haven to those who are fearful for their lives from oppressive regimes and our proud tradition of welcome and tolerance for immigrants and visitors will be in serious jeopardy if the mechanisms to control illegal immigration falter.

Honourable senators, at this time in our history, Canada cannot afford ill-conceived policy or leaders void of clear direction at the helm of the immigration portfolio. Although Bill C-44 touches on aspects of immigration enforcement, it is mere tinkering, and it does very little to signal to Canadians that their protection is paramount. This bill does not address the serious systematic and management problems that have come to the fore over the past year within the immigration department. Nor does this bill respond to the outstanding issues of fairness and due process that have been repeatedly broached by concerned Canadians and put forward by many organizations when this bill was first introduced.

I am tempted — and I will succumb to this temptation — to recall to my colleagues a time not too long ago in this place when we debated the recent significant overhaul of the Immigration Act, Bill C-86. A number of senators opposite forcefully — and at times stridently — expounded on the importance of limiting the powers of the Immigration Minister in ensuring equity and due process. In fact, as many of you will recall, a number of my honourable friends denounced the extensive criminality provisions contained in Bill C-86 as extremely harsh. These provisions are now used very effectively in barring serious criminals from entering Canada, and also in removing those who have previously eluded authorities and entered illegally.

Even the present Minister of Immigration has allegedly risen in his place in response to particular cases and has outlined how he has used the criminality provisions that the former government fought hard to implement. The bill we are now asked to examine is clearly not a dismantling of the enforcement initiatives contained within Bill C-86. It is, therefore, with some irony that I speak to Bill C-44, a bill involving immigration enforcement and introduced by this Liberal government, a government, while in opposition, that voted against any and all legislative amendments with respect to dealing with criminals seeking to enter or remain in Canada.

Honourable senators, concern over immigration enforcement was not on the Liberal agenda in December 1992 when Bill C-86 was proclaimed. It was not an integral part of the Liberal agenda leading up to the fall of 1993, as demonstrated in the "Red Manifesto"; so when did the protection from foreign criminals make its way on to the Liberal platform? Tragically, it was the spring of 1994, following two separate heinous murders on the streets of downtown Toronto that ended the lives of both a young woman and a young Metro Toronto police officer. In both situations, individuals facing deportation are standing accused of these horrible crimes. These despicable acts marked the forcing of this government's hand. They then had to face the fact that they could no longer ignore the enforcement element and control issues that are inherent parts of the immigration program.

Before I deal in detail with the Liberal panacea for all that ails the immigration department, I wish to make something very clear. It does not serve the interests of Parliament nor the interests of Canadians to seek to lay blame either on the officials of the Department of Immigration or on the present or former immigration ministers. What would be unforgivable, however, is not to seek out the real solutions that will serve to prevent these systematic breakdowns from reoccurring.

Is Bill C-44 the solution? Would Bill C-44 have prevented the tragic incidents in Toronto or other cases involving violent crimes that the media appear to highlight with troubling regularity?

It is true that we are seldom treated to the good-news stories of immigrants and refugees regularly triumphing over adversity — those who strive to support their families and settle within our communities, and those who contribute so much to this magnificent country. These are the stories — and I believe all in this chamber would agree — that reflect the rightful history of Canadian immigration. These are the stories that we commemorated this past year on the 125th anniversary of Canada's first Immigration Act and the creation of the first federal immigration service.

Honourable senators, these are the stories that Canada must continue to celebrate. I truly fear, however, that if we are not duly diligent in pursuing a close examination and fine tuning of the proposed enforcement measures within the Immigration Act, Canadians will move closer to the edge of abandoning their spirit of generosity and commitment to immigrants and refugees.

As we begin to scrutinize Bill C-44, I cannot state that I am categorically opposed to all of the proposed amendments. To do so would fly in the face of my steadfast support of Bill C-86 and what those changes have already accomplished. Testimony to this exists, in part, in the fact that Immigration Minister Sergio Marchi has not altered the main tenets of the Immigration Act, irrespective of his promise to do so, as put forward by the former government in Bill C-86: our humanitarian commitment to genuine refugees; the facilitation of immigrants and visitors; and the protection of society.

Minister Marchi has, through his overall policies, however, subjected the immigration portfolio to such haphazard guidance that even his senior officials arrive at work each day and hold up their dampened forefingers in order to catch the direction of the wind.

Agnes Gruda said it best in her commentary reviewing the objectives and actions of Sergio Marchi printed last spring in *La Presse*, entitled "Marchi does the cha cha," and I quote:

> One step to the left, one step to the right and a shuffle to the middle: this dancing around can scarcely pass for the logical and sensitive reform that we were promised.

With all due respect, Mr. Marchi is a young and ambitious man with a demanding and complex portfolio to manage, and I am sure he is now learning to appreciate that fact. I am heartened by the fact that protecting the safety of Canadians has not been entirely forsaken by this minister. I will review his proposals, holding that principle as paramount.

Honourable senators, I view some of the proposals contained in Bill C-44 as somewhat of a vindication of our work on Bill C-86. Some of the amendments clearly complement and fine tune many of the legislative provisions of the previous legislation — for example, the ability to seize bogus identification and passport documents from the mail that are intended to defraud the immigration system. This echoes the work we achieved in Bill C-86 with respect to the search and seizure provisions — provisions that my honourable colleagues opposite adamantly voted against throughout the legislative process.

Within Bill C-44 is a provision halting the issuance of any unsupervised day passes or granting of parole for those foreign offenders awaiting deportation. This is completely in line with work which the former government began in the summer of 1993 with the development of the interdepartmental Working Group, comprised of officials from the Departments of Immigration, Corrections, and the Solicitor General's Office.

• (1420)

The former minister responsible for immigration organized this group, given his very real concerns over the temporary release of offenders — certainly violent offenders — who were facing imminent deportation.

What we see in Bill C-44 appears to be the initiatives of this group responding to loopholes and communication breakdowns with respect to the removal of foreign criminals. This may be an amendment worthy of serious consideration, and certainly one to which I believe a great many Canadians will lend their support.

One of the proposals of Bill C-44 seeks to prohibit individuals convicted of crime punishable by 10 years or more in prison, and whom the minister deems to be a danger to the public, from appealing to the Immigration and Refugee Board on all grounds. Applicants, however, would still maintain the right to seek judicial review of their cases at the Federal Court.

In addition, instead of the independent adjudicator within the IRB reviewing the applicant's claim to humanitarian and compassionate relief, the minister would now be responsible for rendering that judgment. It is to be noted that these, and in fact most of the amendments, will be retroactive.

These changes were severely criticized by a great number of participants invited to speak before the Standing Committee on Immigration and Citizenship: the Canadian Bar Association, the Quebec Immigration Lawyers' Association, the Refugee Lawyers Association, the United Nations High Commissioner for Refugees, the Canadian Council on Refugees, the National Action Committee, the Mennonite Central Committee, the Canadian Labour Congress, the Canadian Ethnocultural Council, the Toronto Mayor's Committee on Community and Race Relations, and Amnesty International — all of these organizations, honourable colleagues, have condemned the foregoing provisions.

I ask my friends opposite: Who will they get to pen their speeches now?

I have not even begun to delve into the details of the bill, and we are already witness to arbitrary thresholds, more powers to the minister, a suspension of quasi-judicial due process; possible Charter and international covenant violations; and retroactivity.

The shoe is on the proverbial other foot, as it were, honourable senators. I look forward to hearing the views of Senator Grafstein, and I am glad he is here today. Senator Grafstein spoke so eloquently when debating a previous change to the Immigration Act, Bill C-84 on September 16, 1987, and I quote:

> Canadians are humanitarians. Canadians want fairness. The role of this chamber is to defend against any obvious breaches of our Charter of Rights and Freedoms and any obvious breaches of our international obligations.

I know very well that Senator Grafstein is committed to these protections. In fact, when he was debating a subsequent change to the Immigration Act, Bill C-55, on May 17, 1988, he stated, and I quote:

> ...having passed the Charter of Rights and Freedoms, is it not our duty as legislators to ensure that all legislation meets the contours... of the Charter? Is this not the best way to foster the rule of law in Canada? When we pass legislation, we must also ensure that it meets our international obligations, which are also based on the rule of law. Only then can we expect our strong... global voice to be respected. Only then can we avoid the trap of hypocrisy by preaching to others about the rule of law, while failing to fulfil the rule when it comes to our own domestic legislation.

**Senator Hastings:** Are you quoting Senator Grafstein?

**Senator Di Nino:** Yes. I have a few questions for my honourable friends. The first question is: Will my friends opposite fall into this "trap of hypocrisy"? Will my friends opposite convey their deeply held views on civil rights to Minister Marchi? My final question is: Has Senator Grafstein quoted his favourite passages of the Magna Carta to this young and ambitious Minister of Immigration?

I look forward to also hearing the views of Senator Hébert, since I firmly recall his articulate oration of December 3, 1992 during a debate on Bill C-86, and I quote:

> One of the bill's major flaws is its emphasis on enforcement, as opposed to fairness and humanitarian values...the government seems to be playing to the lowest common denominator of Canadian society, which fears immigrants and refugees.

Senator Hébert spoke forcefully that day when he went on to say:

... it —

— by which he meant Bill C-86 —

> — will open the door to inequity and capriciousness in the selection of immigrants and refugees; it suspends legal safeguards, like deportations without hearings... suspensions of rights through retroactive provisions... Finally, too much authority has been transferred from the law and Parliament to the minister and his officials, which leaves the whole process open to abuse.

I am curious now as to whether Sergio Marchi listened to any of these thoughtful, elder statesmen when he drafted his bill, and I am curious as to whether he is more concerned with how they will react to his provisions, as opposed to how my friends on this side of the chamber will respond?

I can assure honourable senators of one thing: We on this side of the chamber will afford all of the amendments a fair and dilligent assessment; an assessment that will be ever cognizant of the protection of Canadians and the security of our borders. We look forward to meaningful exchanges and dialogue at committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Bosa, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.

## DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE BILL

SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Gauthier, seconded by the Honourable Senator Pearson, for the second reading of Bill C-47, to amend the Department of External Affairs Act and to make related amendments to other Acts.

**Hon. James F. Kelleher:** Honourable senators, I rise to speak in support of this bill. In one sense, it is not an important bill in that it could best be characterized as a housekeeping bill because it deals merely with a name change and a different departmental structure. In that sense, it could be characterized as housekeeping.

However, speaking as a former minister for international trade, I think it is about time the name of that department was finally changed to recognize the importance of trade and international trade to this country. It was something which Minister Clark and I attempted to do back in 1986, but obviously we were not successful in that endeavour. I am glad to see that it has finally occurred, and I support it strongly.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Graham, bill referred to the Standing Senate Committee on Foreign Affairs.

## REVIEWING CANADA'S FOREIGN POLICY

MOTION TO PRINT VOLUME I OF SPECIAL JOINT COMMITTEE REPORT—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator MacEachen, P.C., seconded by the Honourable Senator Hébert:
>
> That the Senate order the printing, in its original format, of 500 copies of Volume I of the Report of the Special Joint Committee Reviewing Canada's Foreign Policy entitled "Canada's Foreign Policy: Principles and Priorities for the Future"; and
>
> That an amount not exceeding $7,500 be allocated for that purpose. — (*Honourable Senator Lynch-Staunton*).

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I have a few comments to make about Senator MacEachen's motion.

The research I have done to date, with the help of the Table, has not revealed any motion in the past similar to this one; that is, a case of a senator coming to the Senate and asking for funds without first having the request studied by the Standing Committee on Internal Economy, Budgets and Administration. That by itself should question the propriety of Senator MacEachen's motion without going to the purpose of it. Do we wish to set a precedent and vote funds directly out of a budget which is the responsibility of the Standing Committee on Internal Economy, Budgets and Administration? It is the guardian of that budget, and without its approval I do not believe funds should be released.

Also, Senator MacEachen is asking for the monies to print one volume of a three-volume report of a joint committee. Again I question whether we should carry the total cost of an item which is the responsibility of both houses. Why only publish Volume I? I gather from his remarks that it is because it is more favourable to the government's position than Volume II, which includes dissenting opinion. If we wish to take on the responsibility for printing committee reports, whether reports of joint committees, standing committees or special committees of the Senate, we should take the responsibility of publishing the entire report, not only that section which is more favourable to a position which we may uphold.

Finally, it is ironic, and I am sure only coincidental, that this request comes at a time when the House of Commons is seriously considering abolishing the printing of the proceedings of its committees. No doubt the Standing Committee on Internal Economy, Budgets and Administration is also struggling with the possibility that we should be dropping the printing of the proceedings of our committees. I find it somewhat contradictory to be asked to print part of a report of a joint committee along with the possibility of losing our own committee reports.

MOTION IN AMENDMENT

**Hon. John Lynch-Staunton (Leader of the Opposition):** Therefore, honourable senators, unless there is general agreement, I will move that we should send Senator MacEachen's motion to the Standing Committee on Internal Economy, Budgets and Administration for study and eventual report back to the full chamber. If there is no general agreement, I will move the motion as an amendment to the motion before us.

**Hon. Earl A. Hastings:** Is the honourable senator amending the motion of Senator MacEachen?

**Senator Lynch-Staunton:** I will do so. I move, seconded by Senator Berntson:

> That the motion be not now adopted but that it be referred to the Standing Committee on Internal Economy, Budgets and Administration.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion in amendment?

POINT OF ORDER

**Hon. Allan J. MacEachen:** Honourable senators, I have no objection to the amendment, providing it is with respect to the authority of the Standing Committee on Internal Economy, Budgets and Administration to allocate the funds. However, I would be distressed if the Senate were reaching a conclusion not to have this report reprinted, and allowing the decision to be made by the Standing Committee on Internal Economy, Budgets and Administration. Surely the Senate ought to adopt in principle the desirability of having the report reprinted, and send the matter to the committee to work out how the funds are to be provided, and so on. I certainly could not support an amendment which contains the notion that the Senate is disapproving of the reprinting of the report.

Senator Lynch-Staunton has talked about the fact that the motion does not contain a provision to reprint Volume II. The fact is that there are supplies of Volume II available, and when they run out, the senator, if he wished, could ask the Senate to have that volume reprinted. However, that issue is not before us at the moment because there are copies available.

If Senator Lynch-Staunton is favourable to the principle but would like to have the details examined by the committee, I would accept the amendment.

**Senator Lynch-Staunton:** The purpose of the amendment is to refer the request to the Standing Committee on Internal Economy, Budgets and Administration for its advice and recommendation. My views are known. So far, I am not supportive, but I do not want the final decision to be taken today. I would like the Committee on Internal Economy, Budgets and Administration, which is responsible for the authorization of the release of funds, to tell us whether the funds are available, and whether this is a proper expenditure in which to engage the Senate of Canada.

**Senator MacEachen:** Surely it is the Senate which ought to decide whether it is proper, not a committee which is the servant of the Senate. Surely the Senate ought to say yes or no on the principle and then allow the committee to work out the financial details. I find it offensive that the notion is advanced that a committee should tell the Senate what to do on a question of principle.

**Senator Lynch-Staunton:** It is not a question of telling the Senate what to do. It is a question of seeking the advice of the Senate Committee on Internal Economy, Budgets and Administration and the officials who serve it to find out what their recommendation is. We are not asking them to tell us whether it is good or bad; we want to know their feeling about it. We want to know whether the money is available and whether it is proper for the Senate to engage itself in the printing of a report, or part of a report, which is the product of a special joint committee of two houses.

The fundamental point which I raised is whether it is customary for a senator to ask for funds, for whatever legitimate purpose, without first seeking the guidance of the Internal Economy Committee.

**Senator MacEachen:** That is a point of order.

**Senator Lynch-Staunton:** It is an opinion. I can turn it into a point of order.

**Senator MacEachen:** On that point, it appeared to me that the Speaker's ruling opened the door for this particular motion. There was a remedy within the Senate itself to deal with a report of a joint committee. That was my interpretation of the ruling.

However, if Senator Lynch-Staunton has this view, I do not intend to pursue the matter further, although I regret very much indeed that the impression is left that the Senate of Canada is not prepared to authorize the reprinting of a report on Canada's foreign policy which is in demand in the country, and which is a contribution to the discussion on foreign policy. I think that is a rather backward-looking approach to the field of foreign policy, and that the Leader of the Opposition would divide the Senate on an administrative matter affecting foreign policy I find rather unfortunate and offensive. However, he has the majority, and we shall let him do as he wishes.

**Hon. Consiglio Di Nino:** Honourable senators, I take offence at that comment. This has nothing to do with the majority. Senator Hastings as chairman and I as deputy chairman of the Internal Economy Committee have been entrusted with the serious responsibility of ensuring that the expenditures of funds fall within the mandate of the Senate, and that there is some semblance of order in how those funds are expended.

If the Senate is intending to authorize the expenditure of funds directly from the chamber, so be it. I would have no problem with that, but I would certainly feel that my responsibility is redundant. One would be relegated solely to being a bookkeeper, and I could spend that time better elsewhere.

I think it is appropriate that any funds to be expended by the Senate should be authorized through the Committee on Internal Economy, Budgets and Administration, as long as we have the authority.

• (1440)

**Senator Doyle:** Not authorized; recommended.

**Senator MacEachen:** That is the point I was attempting to make; namely, let the Senate decide in principle upon the desirability of a reprint, and give the decision regarding the question of funding to the committee. If there are no funds, of course, the Internal Economy Committee is not obligated to go any further. It must consider the availability of funds.

In the meantime, it would be nice to have the Senate approve this measure in principle, and leave the next step to the committee, whatever it may be.

**The Hon. the Speaker:** Honourable senators, we have before us an amendment. In amendment, it is moved by the Honourable Senator Lynch-Staunton, seconded by the Honourable Senator Berntson:

> That the motion be not now adopted but that it be referred to the Standing Committee on Internal Economy, Budgets and Administration.

Is it your pleasure, honourable senators, to adopt the motion in amendment?

**Some Hon. Senators:** Yea.

**Some Hon. Senators:** Nay.

**An Hon. Senator:** On division.

**The Hon. the Speaker:** On division? We then go to the main motion, as amended. The main motion was made by the Honourable Senator MacEachen, seconded by the Honourable Senator Hébert. Do you wish me to read that motion?

**Hon. Eric A. Berntson (Deputy Leader of the Opposition):** No. Take it as read.

**Senator MacEachen:** Please read the motion, as amended.

**The Hon. the Speaker:** The motion is:

> That the Senate order the printing in its original format of 500 copies of Volume I of the report of the Special Joint Committee Reviewing Canada's Foreign Policy, entitled: Canada's Foreign Policy; Principles and Priorities for the Future; and
>
> That an amount not exceeding $7,500 be allocated for that purpose.

That motion has been amended by adding the words:

> That the motion be not now adopted but that it be referred to the Standing Committee on Internal Economy, Budgets and Administration.

It is your pleasure, honourable senators, to adopt the motion as amended?

**Senator MacEachen:** The substance of the motion itself now comes forward to the Senate. Because of the way in which the amendment is worded, the motion has not been amended at all; there has been an addition to it. How can you approve the motion and then say that "it not be adopted?"

**The Hon. the Speaker:** The main motion will be referred to the committee.

**Senator MacEachen:** That is why I asked you to read the motion, as amended. How is it amended?

**Senator Di Nino:** By the addition.

**Senator Stewart:** Nothing is struck out. It is contradictory.

**The Hon. the Speaker:** It is being referred to committee. That is the action that the Senate will be taking.

**Senator Di Nino:** Surely the addition of anything to a motion is an amendment to that motion. It is not the same motion; it is a motion together with something else. Is it not an amendment or an addition?

**The Hon. the Speaker:** Honourable senators, I misread the motion. The motion is to refer the main motion to committee.

**Senator Lynch-Staunton:** That is correct.

**Senator MacEachen:** All that we ask is that the motion, as amended, be put before the Senate. We are entitled to have the motion as amended put to us, and then we will decide whether or not we can support it.

**The Hon. the Speaker:** But the amendment, as proposed and as voted on, has referred the main motion to the committee. That was the decision of the Senate, namely:

> That the motion be not now adopted but that it be referred to the Standing Committee on Internal Economy, Budgets and Administration.

That was the amendment.

**Hon. John B. Stewart:** May I then speak to the proposal, honourable senators? If the proposition that is now being read out by the Chair were to carry, the Senate would have ordered the printing in its original format of 500 copies of Volume I. That is a clear proposition.

We then have this other proposition, that the motion be referred to the committee. We have two contradictory propositions here. I do not see how a sane body could vote either yes or no when we have a collection of propositions which are contradictory, one to the other. Clearly, the Senate will have ordered the printing. Does that bind the committee or not? It does, in explicit language.

**Senator Berntson:** No, the motion states that it "not now be adopted but be referred to the committee..."

**Senator Stewart:** The amendment then should have read: "That all the words after the initial 'that' be struck out —" and then the words, "That the proposed motion be referred to the Standing Committee..." should be inserted.

**Senator Lynch-Staunton:** It is quite clear. Senator MacEachen has made a motion that the Senate vote $7,500 for the purpose of we know what. My amendment reads "that the motion be not now adopted" — that is, Senator MacEachen's motion — "but that it be referred to the Standing Committee on Internal Economy...." I do not see any contradiction. One amendment simply says, "Let's have the Internal Economy Committee have a look at it; they will eventually report to us and then we will make a decision following its recommendation and study." That amendment has been passed, as far as the Senate is concerned.

**Senator MacEachen:** Honourable senators, there is a main motion on the Order Paper, and an honourable senator sought to amend that main motion. In any civilized Parliament of which I have been a part, when an amendment is carried, the main motion is put in "as amended."

**Senator Lynch-Staunton:** From that point of view, yes.

**Senator MacEachen:** It has to be done that way. However, when you put the main motion "as amended," it contains the obvious flaws that have been so carefully pointed out by Senator Stewart; namely, that the first part of the main motion approves the printing, and that the second part states that it go to the committee and that it not be approved.

We therefore must clean up this amendment. It should be ruled out of order, and the Leader of the Opposition should go back to the drawing board. It is out of order, because there is no way that he can slip the main motion out of our minds. It has to be dealt with. He tried to amend it and he received a result. We should now have before us the main motion, as amended. But when that is produced, it has the unsightly appearance of a contradiction. In the first part, it authorizes the printing, but in the second part it says, "No, we do not authorize it."

**Senator Lynch-Staunton:** No, the amendment does not say "authorize or do not authorize"; the amendment simply says, "Let's not accept Senator MacEachen's motion for the time being but, instead, refer it to the Internal Economy Committee."

**Senator MacEachen:** But it is an amendment to the main motion.

**Senator Lynch-Staunton:** I agree.

**Senator MacEachen:** After an amendment is made, and carried — which your amendment was, senator, we then must have presented to us the main motion, as amended. When His Honour reads the main motion, as amended, we will see what happens.

**Senator Lynch-Staunton:** We should hear it, then.

**Senator MacEachen:** As I have it, His Honour read it and added your amendment to the main motion. In logic, however, the main motion comes first. The whole business is approved by the Senate.

**Senator Di Nino:** The Leader of the Opposition is trying not to deal with the main motion — and possibly have it defeated — until there is an opportunity for the Internal Economy Committee to evaluate and check the fiscal aspects of it.

The question I have is: Why are we, as a Senate, being asked to spend money — on a report of a joint committee — when the House of Commons is not spending any money? Those are questions I will ask.

Also, when we send out this report, are we sending out Volume I and Volume II, or do we just send out Volume I? If we are to serve the public interest, then we must make sure that all the views of this report be given the same validity, rather than just those of one side.

If Senator MacEachen wants us to deal with the main motion, we will deal with the main motion; but if it is defeated, then that is the end of it. If that is what he wants, then maybe we will do that.

**The Hon. the Speaker:** Honourable senators, I probably added to the confusion in this matter. Senator MacEachen is correct in saying that when we have before us a main motion and an amendment, we deal with the amendment first. If the amendment carries, then we go to the main motion, as amended. That is what I was doing.

• (1450)

However, I believe I was wrong. This is not really an amendment to the main motion. This is an amendment to the question. I refer honourable senators to rule 59, which you will find on page 63.

> Notice is not required for: (2) Referral of a question to a committee;

It is always open to the Senate, as I understand it, to refer any matter before it to a committee.

What we have here is a question. The question was: Shall this motion be adopted? The amendment was to that question, that it be not now adopted but that it be referred to committee. Therefore, the motion was no longer before the Senate once that motion in amendment had been passed. It has been referred to committee.

Honourable senators, I am making an impromptu ruling here. If it is the wish of the Senate, I am quite prepared to take the matter into consideration and come back with a ruling. However, I must ask for your agreement, because the motion in amendment has been passed.

Is it your wish, honourable senators, to rescind the vote and to return the matter so that I may make a ruling at a later date?

**Hon. Senators:** Agreed.

Debate adjourned to await ruling of the Speaker.

The Senate adjourned until Tuesday, February 28, 1995, at 2 p.m.

# THE SENATE

**Tuesday, February 28, 1995**

The Senate met at 2:00 p.m, Senator William J. Petten, Acting Speaker, in the Chair.

Prayers.

## WILLIAM J. CLINTON
## PRESIDENT OF THE UNITED STATES

ADDRESS TO MEMBERS OF THE SENATE
AND OF THE HOUSE OF COMMONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I move that the Address of the President of the United States of America, delivered on February 23, 1995 to members of both Houses of Parliament, together with the introductory speech by the Right Honourable the Prime Minister of Canada and the speeches delivered by the Speaker of the Senate and the Speaker of the House of Commons, be printed as an appendix to the *Debates of the Senate* of this day.

*(For text of speeches see appendix, p. 1271)*

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# SENATORS' STATEMENTS

## VISIT OF UNITED STATES PRESIDENT TO OTTAWA

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, it is very appropriate that my statement comes right after approval of Senator Graham's motion to have the address by President Clinton printed in our Hansard.

Canadians were, no doubt, most impressed with the success of President Clinton's visit to Ottawa last week, particularly with the close personal relationship so evident between the President and the Prime Minister.

Mr. Chrétien's admiration for the President is so strong that not only did he endorse his re-election, he smiled without a blush as Mr. Clinton listed Canadian achievements which had raised this country's esteem in the eyes of the President: NAFTA, the support for Mr. Aristide in Haiti, the open skies treaty, all initiatives of the Mulroney government. Mr. Chrétien did not even flinch when Mr. Clinton praised Canada for its contribution to the Gulf War. Apologists will no doubt justify this by explaining that any differences were minor — Mr. Chrétien simply wanted troops removed right after the first shot was fired, while Mr. Mulroney insisted they stay until after the last shot.

The Liberal Red Book, better known as the "misread" book, says that Canadians:

> ...do not want Canadian foreign policy to be determined solely through special personal relationships between world leaders.

When in opposition, Liberals gleefully ridiculed the special personal relationships which existed between first Mr. Reagan and then Mr. Bush, and Mr. Mulroney — relationships which allowed the achievements which earned Mr. Clinton's praise, and which the Prime Minister and Canadians know belongs largely elsewhere.

I expect that when they next meet, perhaps at the G-7 meeting in Halifax, it will surprise no one to see Mr. Chrétien take Mr. Clinton — or should we more accurately now say Jean take Bill — onto the stage of the Citadel to lead him and the audience in a rousing rendition of *Alouette*.

## UNEMPLOYMENT INSURANCE

CHANGES TO LEGISLATION RESPECTING JURY SERVICE

**Hon. Philippe Deane Gigantès:** Honourable senators, later today you will be asked to approve second reading of Bill C-216, a bill which has been passed by the House of Commons and which was sponsored through its various stages, over a period of years really, by Guy Arseneault, one of our colleagues in the other House. It repairs one of those peculiar little bureaucratic injustices. It took only one word to change the Income Tax Act so that unemployed people who are called to perform jury duty do not lose their unemployment benefits while performing jury duty. That was the case and will remain thus until the proclamation of Bill C-216. This bill that Mr. Arseneault has finally steered through the House of Commons will repair this small injustice.

For personal reasons I cannot be here during the second reading debate. I ask for your indulgence, honouorable senators, and I commend the bill to the Senate.

• (1410)

## NATIONAL DEFENCE

GOVERNMENT TREATMENT OF MILITARY

**Hon. Gerry St. Germain:** Honourable senators, I rise to speak on the issue of the government's handling of the Canadian Airborne Regiment and other defence-related matters.

I do not have to tell the members of this chamber that the Canadian military establishment is reaching critical mass in terms of the morale of its troops and in terms of the military command and control structures in the Canadian Armed Forces. Continuing cuts to the military establishment in this country have and continue to take their toll on the men and women who together, form the finest military force in the world, second to none.

Honourable senators, one can argue that the fiscal situation in this country is such that it is necessary that the government get its house in order to sustain a military force over the long term. I, of course, agree. However, I also share the opinion of many of my colleagues, defence experts and economic bodies who, together, believe the Canadian Armed Forces have taken their share of cuts and that any further cuts would severely impair the efforts of the government to send troops abroad to meet Canada's foreign obligations.

Honourable senators, it is the men and women of the Canadian Armed Forces that I wish to speak to. People are at the heart of our armed forces. The best planning, the best weapons and the best strategies will have little impact if military personnel are not fully motivated and trained.

Over two world wars and innumerable peacekeeping and peacemaking missions, we created the most highly professional, trained and motivated force in the world. Canadians do not have to look far to see the results of these efforts. To meet the new dangers and seize the opportunities of the new world order, we must maintain those qualities in the men and women of the Canadian Armed Forces.

However, in little more than 15 months, the Liberal government has done more to undermine the morale, the esprit de corps and the tradition of Canada's military than all the budget cuts of the last 20 years. As a result of the political decisions taken at cabinet, presumably on the advice of Prime Minister Jean Chrétien and Mr. David Collenette, the Minister of Defence, the federal government has decided to dismantle the entire Canadian Airborne Regiment as the result of the actions of a few. This political decision was indeed made in haste.

For reasons unknown, the government decided not to heed the advice of the military staff, decided not to await the outcome of the government's own inquiry, and, instead, decided to react in a clearly knee-jerk fashion to an uncertain wave of public opinion by dismantling the regiment, thus wreaking havoc on the men and women of the regiment and their families. To the best of my knowledge, this is the first time a regiment has been dismantled since the French government dismantled a regiment that had turned against the government in the Algerian War.

As I have stated, the decision of the Liberal government was clearly motivated by the Prime Minister's idea of political correctness. The Prime Minister has, over the last 15 months, shown Canadians that his government prefers to follow rather than lead. Members of this chamber are well aware that decisions based solely on the politics of the day will undermine Canada's institutions which are so necessary to the future prosperity and security of this nation.

This is not to say that the government only reacts in a knee-jerk way to the actions of some members of the Canadian Airborne Regiment. Rather, the government has institutionalized its political correctness in its decision-making process and, as such, makes decisions in this knee-jerk way for all problems arising in the military. One need only look to the naval traditions involved in crossing the equator. Although these traditions have been in place since ships first crossed the equator, they are now deemed not to be politically correct by the Prime Minister and the Minister of National Defence. I believe public opinion changes when Canadians are given an opportunity to view the situation in the context of military tradition, not to mention life at sea. However, I reiterate, the Liberals choose to follow rather than to lead.

Therefore, honourable senators, if the other parties in the other place do not have the courage, the conviction and the will to call for the resignation of the minister, then I, as a member of this chamber, will take on the responsibility of ensuring that someone is held ultimately responsible for the actions of the military and the decisions of the government.

**The Hon. the Acting Speaker:** I regret to inform the honourable senator that his time has expired.

Is it the pleasure of honourable senators to allow Senator St. Germain to continue?

**Hon. Senators:** Agreed.

**Senator St. Germain:** Honourable senators, it is my belief that, given the deteriorating level of the morale of the people who serve in the Canadian Armed Forces, the Minister of Defence should take political responsibility for his inability to convey a level of competence and understanding of military structures, tradition and respect and, as such, resign his ministerial position. I firmly believe the resignation of the minister will convey to the men and women who serve in the Canadian Armed Forces that those in charge are ultimately accountable for their actions, and it will show that he has taken his responsibility seriously, in the best interest of the morale, esprit de corps and traditions of our military.

# ROUTINE PROCEEDINGS

## THE ESTIMATES, 1995-96

TABLING

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have the honour to table the Estimates for the fiscal year 1995-1996.

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, March 1, 1995 at one-thirty o'clock in the afternoon.

**The Hon. the Acting Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## THE ESTIMATES, 1995-96

REFERRED TO NATIONAL FINANCE COMMITTEE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Estimates for the fiscal year ending March 31, 1996.

**The Hon. the Acting Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

• (1420)

## ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

NOTICE OF MOTION TO EMPOWER COMMITTEE TO PERMIT COVERAGE OF MEETING BY ELECTRONIC MEDIA

**Hon. Colin Kenny:** Honourable senators, I give notice that tomorrow, Wednesday, March 1, 1995, I shall move that the Standing Senate Committee on Energy, the Environment and Natural Resources be empowered to permit coverage by electronic media of its public proceedings with the least possible disruption of its hearings.

## HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES—PRESENTATION OF PETITIONS

**Hon. Stanley Haidasz:** Honourable senators, I am pleased to place in the hands of the Clerk at the Table petitions expressing a plea identical to that which I read in the Senate chamber on March 17, 1994.

These petitioners pray that the Senate of Canada in Parliament assembled protect health care workers with regard to freedom of conscience in the workplace.

These petitions contain the signatures of 872 people from various places throughout Canada.

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# QUESTION PERIOD

## THE BUDGET 1995

PRECEDENCE OF BUDGET STATEMENT OF FINANCE MINISTER OVER RED BOOK—GOVERNMENT POSITION

**Hon. Donald H. Oliver:** Honourable senators, I have a question for the Leader of the Government in the Senate. On page 19 of the *Budget in Brief*, it is stated that Canadians should judge the government not on its rhetoric but on its results. Does this mean that Canadians should no longer refer to the Red Book rhetoric of 1993 and take the "grey book" cuts of 1995 as the new *modus operandi*?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Oliver for his question. Yesterday's budget represents the government's adherence to one of the most fundamental commitments made in the Red Book; that is, the determination of the government to stand by and carry out its commitments to reduce the deficit to 3 per cent of GDP in three years. The underlying motivation of that commitment is to permit Canada and Canadians, through the stability of the economy, to have access to the services and programs which they need and deserve.

The adherence to the 3 per cent of GDP, forcefully outlined last night in the budget, is on track; in fact, it is better than on track. The deficit for this year is coming in lower than had been expected. The ongoing, but prudent, expectation by the Minister of Finance is that we will exceed our target, which will put us on a stretch that will continue toward the reduction and elimination of the deficit.

REDUCTION TO INTERNATIONAL ASSISTANCE ENVELOPE—GOVERNMENT POSITION

**Hon. Donald H. Oliver:** Honourable senators, I have a more specific question for the Leader of the Government in the Senate. As a preliminary, I will quote directly from the Red Book. It is stated on pages 105 and 106 of the Red Book:

> The Liberals will play a more active role in this world of change...by supporting human rights worldwide, by eradication of poverty and social inequality.

The "grey book" of cuts states on page 48 that $532 million, or 21 per cent, of the international assistance envelope will be cut. It refers to the Liberal intention to cut overseas development agency assistance and programs, and to cut contributions to international financial institutions.

My question is: What is the real figure? Is it the figure set out in the statement in the Red Book, or does it relate to the cuts of $532 million?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, all my friends opposite will know that the budget brought down last night reflects a reality in our country that did not exist last fall. Economic pressures and changes throughout the international markets, as well as by way of interest rates, have occurred in recent months and have forced the government to shoulder its responsibility and to produce the kind of strong, tough but fair budget that was issued last night by my colleague the Minister of Finance.

The government's commitment to assistance in the world, whether it be economic aid or military aid, is absolutely secure. As the economy and the fiscal situation in this country improve, there will be opportunities to improve in the area in which my honourable friend has expressed an interest, just as there will be improvements in the many areas of social assistance that we are pursuing in the budget.

The government would not be carrying out its responsibility to this country, nor to Canada's place in the world, if it did not meet the demands of today which will permit us to take the actions of tomorrow.

CANCELLATION OF GOODS AND SERVICES TAX—
GOVERMENT POSITION

**Hon. Orville H. Phillips:** Honourable senators, I have a question for the Leader of the Government in the Senate.

Yesterday's budget imposed a tax on gasoline of 1.5 cents per litre, which became effective at midnight last night. Did the cancellation of the GST become effective at the same time?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, had that been the case, Senator Phillips would have been the first to know.

RATIO OF SPENDING CUTS TO TAX INCREASES—
GOVERNMENT POSITION

**Hon. David Tkachuk:** Honourable senators, I should like to ask a question of the Honourable Leader of the Government in the Senate. My question concerns the budget that was delivered yesterday.

Over the past number of months, the Minister of Finance has stated repeatedly that he would undertake $7 of spending cuts for each $1 of tax increases. Since in the 1995-96 budget there are $4 billion of spending cuts and close to $1 billion in revenue, how does the Finance Minister arrive at his one-to-seven ratio?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will not get into number crunching on the floor of the Senate. However, my colleague the Minister of Finance firmly advised Canadians last night that, as he put together his expenditure cuts and the tax measures, his overall conclusion was a ratio of seven to one.

**Senator Tkachuk:** Honourable senators, despite what the numbers say, and since I was half expecting what I just heard, I will ask myself this question: How did the Minister of Finance arrive at the seven-to-one ratio? The fact is that he did not manage a seven-to-one ratio; he achieved only a four-to-one ratio.

What occurred was that, in the first two years, the Minister of Finance declared that he had savings of $10 billion and over $2 billion in revenue, which represents a five-to-one ratio. However, in reality what he did was look down the road to 1997, 1998 and 1999 and say, "This is how much we will save."

My question is: Does this mean that there will be no tax increases in the next budget, nor in the following two budgets, in order for the Finance Minister to meet the seven-to-one target he is talking about?

• (1430)

**Senator Fairbairn:** Honourable senators, I have the utmost admiration and respect for Senator Tkachuk, and indeed for his prowess in mathematics. However, I have an even higher regard for that of my colleague the Minister of Finance, and I will hang my hat on his seven-to-one ratio.

ELIMINATION OF PUBLIC UTILITIES INCOME TAX TRANSFER
ACT—EFFECT ON PROVINCE OF ALBERTA—
GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, my question is for the Leader of the Government, although my colleagues from Alberta, Senators Hays, Olson and Hastings, might also wish to respond because I know my question will raise their concerns, in the same way as my own have been raised.

I quote first from the budget speech of the Honourable Mr. Martin, where he says:

> Finally, we must never, ever lose sight of the need to be fair; fair among our regions and fair among individual Canadians.

It is the fairness among the regions that I wish to deal with for a moment, since there are many examples in this budget of unfairness to the regions. Let me give but one example, to which I would request a response from my fellow Alberta senators.

The budget will eliminate the Public Utilities Income Tax Transfer Act, known as PUITTA, under the suggestion that it no longer can be justified in today's fiscal circumstances. As honourable senators may know, under this act the federal government transfers to provinces and territories a portion of federal corporate income taxes paid by privately owned electric and gas utilities. These payments were intended to help level the playing field between privately owned utilities, which pay income taxes, and provincially owned utilities, which do not. These transfers now will be eliminated, thus reducing federal expenditures by an estimated $200 million in 1995-96 and by an estimated $276 million in 1996-97.

What does this mean for the province of Alberta, where such utilities are privately owned? Of the $200 million that will be saved by the federal government, $170 million will come from Albertans. Alberta will see an increase of 5.2 per cent in the cost of its electricity, and an increase of 2.4 per cent in the cost of natural gas. In effect, the City of Calgary, with all of its other notifications on utilities, will now be telling the good citizens of that city: "The federal budget brings unfair tax."

How am I affected by this unfair tax? Taken together, Albertans will pay an additional $170 million in federal taxes because we are customers of electric generating utilities and gas utilities which are privately owned, while the rest of the nation does not have to face this situation.

I then ask the honourable leader, how is it that the Government of Canada can so discriminate against the province of Alberta, charging Albertans another $170 million, when the rest of Canada does not face this tax?

I can see that the Honourable Senator Olson is anxious to get to his feet, and I eagerly await his comment.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, regarding Senator Ghitter's question, the first point I wish to make is that this measure is not directed solely at the province of Alberta. Other provinces in this country will also be affected by the removal of the PUITTA. That includes most particularly the province of Nova Scotia, which also has the same kind of situation, as do Newfoundland and Prince Edward Island. In addition, there are other costs for other provinces across this country.

I suggest to my honourable friend that the notion that this is a move against Alberta is not accurate. It is certainly not in the spirit with which this government has tried to balance its moves in the budget across the country.

I would also mention to my honourable friend that this tax has a long history in the province of Alberta. In fact, it goes back to the late 1940s, when then premier Manning —

**Senator Berntson:** It was 1947.

**Senator Fairbairn:** Thank you, Senator Berntson — when then premier Manning worked with the federal government to form a federal-provincial agreement, which was later confirmed by the Right Honourable John Diefenbaker in the 1950s. This tax agreement between the two levels of government was sustained until the year 1990, when the government of Alberta, under the premiership of Mr. Donald Getty, reneged and pulled out of the tax. It has been upheld since then by the federal government, of necessity in a diminishing manner.

Given the fiscal situation in this country today, as the Minister of Finance forthrightly said last night, the federal government can no longer afford to support this tax.

Honourable senators, this is far from a move against the province of Alberta. It also involves smaller provinces which have perhaps an even tougher time accepting the reality of the current situation. However, as my honourable friend knows, it takes two to tango, and our partner bopped away in 1990 in the province of Alberta.

**Senator Ghitter:** Honourable senators, if other provinces wish to join in my plea to the government with respect to this unfair approach by the federal government — of which $170 million will be paid by Alberta and the other $30 million by Newfoundland and Nova Scotia — let them join me. Let them get to their feet and again cry discrimination.

When we have, in a sense, a federal government that is talking in terms of the benefit of privatization, of moving out into the private sector — which I totally endorse — and when there are in existence privately owned utilities, those utilities should not face discriminatory taxation vis-à-vis the publicly owned utilities in Ontario and British Columbia, as examples, which will reap the benefit of that situation. I regard this measure as being discriminatory and unfair to Alberta, notwithstanding the comments of the honourable leader.

## REFORM OF OLD AGE SECURITY—EFFECT ON OLDER MARRIED WOMEN OF APPLICATION OF CLAWBACK TO HOUSEHOLD INCOME

**Hon. Lowell Murray:** Honourable senators, the reference that the Leader of the Government made a moment ago to the Right Honourable Mr. Diefenbaker reminded me of comments that that late, great, honourable gentlemen used to make in defending the old age security system, especially with regard to means tests and the like.

I note in the budget documents that one of the principles for the new regime governing Old Age Security is that the clawback, which is presently applied in respect of individual income, in the future would be applied in respect of family or household income.

The Leader of the Government will know that the principal victims of this change would be older married women, especially women who have stayed at home most of their lives and whose husbands might have some other source of income. However, older married women are the people who would be deprived under this change.

This was announced as a principle for reform of the OAS in yesterday's budget. It raises the question whether the honourable leader believes that something might be done between now and the time such a reform is cast in stone to dissuade her colleague the Minister of Finance from proceeding in that way with the penalties it would inflict on many older married women.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as my honourable friend will appreciate, and as we have all known for some considerable period of time, there has been and will continue to be growing pressures on the resources of Canada in terms of pension security for our senior citizens. It is the stated commitment of this government to secure for present and future pension recipients an absolutely firm pension security going into the new century when the pressure will be even greater.

There are two elements, as my friend knows: the Canada Pension Plan, which needs help, and a statutory requirement for federal-provincial review and discussion, which will begin in the fall.

On the question of Old Age Security, the honourable gentleman is correct in saying that principles were set out in last night's budget for a discussion that will take place in the fall after the tabling of the paper on aging, which has been worked on over the past year and was set out in the previous budget. When that paper is produced, there will be consultations with seniors themselves and with others in order to determine the very best way to make our pension plan affordable, secure and sustainable for all of them.

The Minister of Finance has been clear that the consultations will take place. He has set out, as he did last night, a series of principles which will govern the discussions of those reforms. They include undiminished protection for less well-to-do seniors, a continuation of full indexation of benefits, greater progression of benefits by income level, control of program costs, and the item that my honourable friend has mentioned in this house today.

**Senator Murray:** Say it! Say it!

• (1440)

**Senator Fairbairn:** As a result of last night's budget, there are several changes in the way pensions are delivered. Instead of having the clawback that was introduced by my honourable friend's government come back in one lump sum at the end of the year, now it will be moved up front and reflected each month in the pension cheques to the seniors of this country.

**Senator Murray:** Honourable senators, the budget document entitled "Budget Plan" states the basic principles for reforming OAS and GIS, and one is the provision of OAS benefits on the basis of family income, as is currently the case with the Guaranteed Income Supplement. It then indicates that there will be consultations with seniors and Canadians generally on the precise nature of needed changes when the paper is released later this year.

It appears to me that this change is fixed, that the decision has been made, and that OAS benefits will be paid on the basis of family income. If that is subject to change as a result of consultations, it will be good to know. It would be welcome if that were the case because the principle bears an unhappy resemblance to the Reform Party's approach to these matters, and, in particular, to the basis of their attitude that the husband is in control and women are chattels of husbands.

The honourable leader raised another matter concerning the clawback. Can the minister help me with this? If a person retires from a job in which he or she had an income over the threshold, would that person be subject to the clawback in the first year of retirement and receive no payments at all?

**Senator Fairbairn:** Honourable senators, I cannot answer that question precisely and will obtain an answer for my honourable friend.

As to the honourable senator's earlier comments, I cannot tell him that the principles will be changed. The Minister of Finance has indicated that the discussions in which he and the Minister of Human Resources Development have been involved over the past year will continue to take place with the assistance of seniors and guided by the principles set out in the budget last night. Neither my friend nor I can tell how those discussions will proceed; however, those are the principles under which they will proceed. These principles will be the guide in establishing the most secure and the best pension arrangements our country can provide our senior citizens.

I must say that my honourable friend lost me a bit when he talked about the husbands being in control and women as chattels. I do not believe that that has any place in any discussion or series of principles that would be brought forward by any government led by Jean Chrétien.

## CORRECTIONAL SERVICE

### KINGSTON PRISON FOR WOMEN—BRUTAL CONDUCT OF EMERGENCY RESPONSE TEAM TOWARDS INMATES—GOVERNMENT POSITION

**Hon. Earl A. Hastings:** Honourable senators, my question is directed to the Leader of the Government in the Senate and pertains to the unconscionable and brutal conduct of officers of the Correctional Service of Canada as portrayed in the video taped at the prison for women recently.

This is not a unique experience. This is standard conduct for this emergency response team. In view of the fact that their conduct is now recorded on tape for public discussion, would the minister consider disbanding the emergency response team until completion of the investigation?

**Hon. Joyce Fairbairn (Leader of the Government):** I thank the honourable senator for his question. As a result of the video tapes that came out a week ago, the Solicitor General has ordered a complete review of that incident. I will relay the comments of my honourable friend directly to him.

## NATIONAL DEFENCE

### CANADIAN AIRBORNE REGIMENT—INQUIRY INTO CONDUCT—POSSIBILITY OF REINSTATEMENT

**Hon. Gerry St. Germain:** Honourable senators, my question is to the Leader of the Government in the Senate and relates to the question of the Canadian Airborne Regiment.

The government has undertaken its own inquiry despite the fact it has disbanded the regiment at this time. If the findings are that the problems were not systemic but lay with just a few individuals, will the government be in a position to reinstate the Canadian Airborne Regiment?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my initial response is that one would not wish to prejudge the outcome of such an inquiry. The minister has taken decisive action in the case of the Airborne Regiment, and I should think his action speaks for itself.

**Senator St. Germain:** Honourable senators, just last week the President of the United States thanked Canada and the Prime Minister for our contribution to the Gulf War. In the House of Commons Hansard of January 15, 1991, Mr. Chrétien, the Prime Minister, is reported as saying that if there is no war in the Gulf, our forces should stay, and if there is, they should be called back.

I served in the Royal Canadian Air Force. I find it upsetting that the Prime Minister of this country would come out with such confusing statements and be part of the decision to remove a Canadian regiment before an inquiry. Does the minister have any comment?

**Senator Fairbairn:** Honourable senators, my honourable friend can read Hansard if he wishes. Everyone in this house knows of the support, the encouragement and the confidence that this Prime Minister has demonstrated towards our armed forces and the work that they have done in Bosnia, Rwanda and Somalia.

Members of this house have participated in an excellent joint committee on a review of our defence policy. A white paper which drew heavily from that committee report has been produced. That paper sets out suggestions to redirect and recoordinate our military forces for the future so that they will be able to sustain the demands upon them as peacekeepers within the framework of the fiscal demands within this country. The Minister of National Defence and the Prime Minister are extremely strong in their support of our forces.

As far as the Airborne Regiment is concerned, I can only repeat to my honourable friend that such a decision is not taken lightly. It is not taken just simply from the view of political correctness. It was taken with great care and seriousness, and I commend the Prime Minister and the Minister of National Defence for their decision.

[*Translation*]

• (1450)

## CONSEQUENCES OF CUTS TO TRANSFER PAYMENTS TO PROVINCES—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, my question is for the Leader of the Government in the Senate. Yesterday, in his budget speech, the Minister of Finance made numerous references to flexible federalism. I would like to know if, in preparing this budget, your government took into account the economic impact cutting $1,623,000,000 in federal transfer payments will have on the various Canadian provinces?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am certain that the Minister of Finance, who has been labouring on this document for some time now, is very aware of the situation in Canada. It is for this reason that he has done everything within his power to achieve the reasonable though tough goals of bringing the federal deficit under control and propelling it into a downward trend, hopefully in the earliest possible time frame, leading to its total elimination in the years ahead. He has taken care to do this with a sense of fairness, balance and sensitivity to the situation in various parts of this country.

[*Translation*]

**Senator Nolin:** Am I to understand that the financial implications to the provinces have been considered? If so, what are they?

[*English*]

**Senator Fairbairn:** Honourable senators, the Minister of Finance and those of his colleagues who have been involved in this process have crafted the budget very carefully. All are aware of the different situations that exist across this country, particularly the Minister of Intergovernmental Affairs, who has conducted a program review the likes of which I do not suppose we have had in an organized way in this country as part of a budget exercise. As you look through the budget, I believe you will see evidence that the regions have been treated fairly. The whole question of transfers to provinces will be carried out in discussions with those provinces. I believe that my honourable friend will find that process to be a positive exercise everywhere in Canada.

[*Translation*]

**Senator Nolin:** If I may, honourable senators, I would like to restate my question in clear and unequivocal terms. You have assured me that your finance minister, in collaboration with his colleague, the minister responsible for federal-provincial relations, have reviewed and taken into account the financial implications of a $1,623,000,000 cut which, I remind the honourable minister, will not come about until next year. Could these reviews be communicated to me?

I understand that I will not be getting an answer today, but could these documents please be communicated to me?

[*English*]

**Senator Fairbairn:** Honourable senators, one of the things the federal government has done since coming to office is to tell the provinces that they will have the security of two years in the process of transfers between Ottawa and the provinces. Next year is the second year. That predictability will allow provincial governments to put together their own plans and their own programs in the knowledge of what the federal government is doing. That is something all provinces have appreciated, in one way or another.

My honourable friend will know that the Government of Canada has an obligation to the entire country. That obligation has been carried out by the Minister of Finance and the Prime Minister in this budget, as well as in a number of other efforts. It is all geared toward providing growth, jobs and economic stability in this country. That is the exercise in which we have been involved, and I believe we have conducted matters in the fairest way possible in terms of considering the provinces in recent years.

## TRANSPORT

### PRIVATIZATION OF CANADIAN NATIONAL— REOPENING OF NEGOTIATIONS WITH CANADIAN PACIFIC— GOVERNMENT POSITION

**Hon. Norman K. Atkins:** Honourable senators, my question is to the Leader of the Government in the Senate. The Minister of Finance indicated yesterday that CN would be privatized. Does that mean they will be opening renegotiations with Canadian Pacific?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will take that question as notice and seek further information on it.

**Senator Atkins:** Honourable senators, I have a supplementary question. If the government intends to open discussions with Canadian Pacific, will they open the process to corporations or companies outside the borders of Canada?

**Senator Fairbairn:** Honourable senators, I cannot answer that question. However, I should note to my honourable friend that the item mentioned in the budget refers strictly to Canadian National.

# ORDERS OF THE DAY

## PICTOU LANDING INDIAN BAND AGREEMENT BILL

### SECOND READING

**Hon. Len Marchand** moved second reading of Bill C-60, respecting an agreement between Her Majesty in right of Canada and the Pictou Landing Indian Band.

He said: Honourable senators, I rise to address Bill C-60 the legislation on the Pictou Landing Indian Band Agreement Act.

Bill C-60 will give the force of law to two important provisions of the Boat Harbour Final Agreement. Specifically, it will ensure that the federal government will not be liable for any further damages or claims related to the operations of the effluent treatment facilities at Boat Harbour, Nova Scotia. As well, Bill C-60 will ensure that the government will not be held responsible for managing the compensation dollars paid to the Pictou Landing Micmac under the Boat Harbour Final Agreement.

Honourable senators, the Boat Harbour Final Agreement arose out of events that occurred in the mid-1960s when Scott Maritimes Limited opened a pulp and paper mill in Pictou Harbour. At that time, the provincial government selected the Boat Harbour estuary as the site for a facility to treat effluent from the mill. The province then negotiated with the federal government to secure the Pictou Landing Micmacs riparian rights on reserve lands adjacent to the estuary. Of course there is much more behind the story of Boat Harbour than the loss of riparian rights.

Soon after the treatment facilities opened, environmental problems began to arise and the quality of life on the reserve deteriorated. As well, the damming of the mouth of the tidal estuary flooded some 12 hectares of reserve land. Despite many appeals of the First Nation, the corrective action the provincial government took did not effectively correct the environmental problems.

In 1982, the First Nations submitted a specific claim to the federal government, arguing that the Crown had breached its fiduciary duty in surrendering the First Nation's riparian rights. Four years later, the Pictou Landing Micmac filed suit against the government, which led to the negotiation of an out-of-court settlement — the Boat Harbour Final Settlement Agreement — in July of 1993.

• (1500)

Honourable senators, this agreement includes a $20-million compensation package for losses and damages resulting from the operations of the treatment facility. Also included is a $15-million relocation fund. This $35-million settlement is considered by most parties to be a reasonable amount to settle this claim.

The compensation package includes an $8-million fund to be distributed among the members of the First Nation for individual compensation. As well, a continuing compensation fund, worth an additional $9.725 million, has been established to address special claims by members of the First Nation related to the Boat Harbour environmental problems. Other funds have been set up to support projects which will benefit the First Nation and to support the possible relocation of the Pictou Landing community.

In return for this compensation package, Canada has been released from all responsibility and liability for past, present and future effects related to the Boat Harbour treatment facility. However, a key provision of the final agreement was that legislation be enacted to ensure that this compensation package is the sole source of restitution for claims related to Boat Harbour.

To ensure that this is the case, Bill C-60 provides that claims that go beyond the scope of the $8-million individual compensation fund can be made only against a continuing compensation fund. From the federal government's perspective, this guarantees that $35 million is the full amount it will pay related to the Boat Harbour claim. This provision of Bill C-60 also protects the Pictou Landing Micmac against similar types of claims by limiting them to the amount available in the continuing compensation fund.

The second provision of the final agreement which is legislated through Bill C-60 is the government's commitment to ensure that settlement funds are not Indian moneys as defined by the Indian Act. This stipulation confirms that the First Nation, and not the federal government, is responsible for the moneys once they have been transferred. In addition to giving the Pictou Landing Micmac complete control over their compensation dollars, this reduces the administrative responsibilities of the government.

Honourable senators, Bill C-60 is essentially an administrative bill which confirms and formalizes some elements of an agreement which has already been implemented. Nevertheless, it is important both for what it achieves and for what it stands for. Bill C-60 achieves legal certainty that neither the government of Canada nor the Pictou Landing Micmac will be liable for any future claims related to the operations of the Boat Harbour treatment facility. It also achieves legal certainty that the government will never be held responsible for the management or dispensation of settlement funds.

What Bill C-60 stands for is equally important. This legislation is further evidence of the government's intention to live up to the commitments which have been made to First Nations people. The honour of the Crown must be upheld and promises must be kept if the federal government is to build a new partnership with aboriginal peoples.

The Boat Harbour final agreement is already bringing many benefits to the Pictou Landing Micmac, including improved living conditions and the opportunity to relocate away from the waste treatment site. We are simply being asked to give some elements of this agreement the force of law to ensure the future protection of both the Crown and the First Nation. This is not an unreasonable request. In fact, it makes a great deal of sense for everyone involved.

Honourable senators, I ask that you join me in supporting Bill C-60 so that it can be proclaimed into law as soon as possible.

**Hon. John Buchanan:** Honourable senators, I rise to say a few words about this bill. Senator Marchand has pretty well covered the contents of the bill itself and the specific parts of the agreement. I am one who has lived and — if senators will pardon the pun — breathed the Boat Harbour situation for many years, along with other members of this house including Senator MacEachen, Senator Graham, Senator Marchand and Senator De Bané. We were all very much involved over the years in the problems at Boat Harbour. Those problems certainly are not totally resolved by this bill, but I think it will go a long way toward compensating the Pictou Landing Indian band for the problems caused by Boat Harbour over the years.

I will not go into the details; Senator Marchand has already done that. I certainly do commend this bill to every member of the Senate. One of the intriguing and very important parts of this bill is that it will in no way impinge upon the Pictou band's Indian moneys. That has already been pointed out by Senator Marchand. This fund is separate and apart. The bill will set up a trust fund, part of which will be a compensation fund for other claims against the trust fund.

I wish to commend the bill to the members of the Senate. It is an important bill, in terms of the Pictou Landing Indian band. I also wish to commend the work done by the former federal government in initiating the mandate to ensure that the agreement was finalized, and also to commend the current government in recognizing the importance of concluding this matter and concluding the agreement which will result in this $35-million trust fund set up for the Indian band at Pictou Landing. I urge my colleagues on both sides to support the bill and pass it expeditiously.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

**Hon. Len Marchand:** With that kind of support, is the disposition that the bill go to third reading directly, without the committee studying it? What is the wish?

**Senator Berntson:** Refer it to committee.

**The Hon. the Acting Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Marchand, bill referred to the Standing Senate Committee on Aboriginal Peoples.

## INCOME TAX ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. John G. Bryden** moved the second reading of Bill C-59, to amend the Income Tax Act and the Income Tax Application Rules.

He said: Honourable senators, Bill C-59, to amend the Income Tax Act, will put into law several measures announced in the 1994 Budget. All these measures are largely familiar to most Canadians, and most of them have been incorporated in the tax planning of Canadians for the 1994 and subsequent taxation years.

• (1510)

The rationale for these measures is well known and, indeed, has been stated clearly and further advanced by the budget of the Minister of Finance which he presented yesterday afternoon. Because of the passage of time, and with the tabling of the budget for 1995, these measures are old news. Nevertheless, they have worked their way through the system to this place and require our careful attention. I will now deal briefly with some of the measures in this bill.

First, Bill C-59 eliminates the $100,000 lifetime capital gains exemption. However, gains accruing up to last February 22 will continue to be eligible for the exemption, if an individual so elects in his tax return filed for the 1994 year.

Second, the premium paid by an employer for an employee's life insurance will be subject to tax. Currently, the premium on the first $25,000 of life insurance is not subject to tax. This bill puts both employees and self-employed Canadians in the same tax position with regard to life insurance premiums.

Third, this bill subjects the age credit to an income test. Currently, all Canadians 65 and over receive a credit that reduces their combined federal-provincial tax by about $950 a year. Under this bill, individuals with net incomes below $25,921 will retain the full credit. Those with incomes between $25,921 and $49,134 will have their credit reduced by 15 per cent of their net income exceeding $25,921. The 6 per cent of seniors with net incomes over $49,134 will no longer receive the age credit. This provision is to be phased in over the 1994 and 1995 taxation years, with one-half taking effect in 1994 and the remainder in 1995.

Fourth, Bill C-59 extends, on an ongoing basis, the RRSP-based Home Buyers' Plan. First-time home buyers can withdraw up to $20,000 tax free from their RRSPs to buy a house and repay the money over 15 years. Up until last February, about 234,000 people had participated, and an additional 30,000 are expected to take advantage of the program annually in the future.

Fifth, until now, taxpayers received a credit of 17 per cent on the first $250 of charitable donations, and a 29 per cent credit thereafter. This bill lowers the threshold from $250 to $200.

While the above five measures relate to individual taxpayers, this bill also deals with a number of measures that relate to business and corporate taxation.

First, Bill C-59 reduces the tax deduction for eligible business meals and entertainment expenses to 50 per cent from 80 per cent.

Second, this bill tightens up the flow-through of tax deductible losses from certain tax shelters and thereby prevents claiming greater losses than the cost of their investment in a sheltered partnership, for example, by requiring the excess loss to be reported as a capital gain.

Third, this bill extends the rules that restricted cross-border so-called "butterfly transactions" to all purchase "butterfly transactions." By the way, a "butterfly transaction" allows a corporate property to be divided pro rata among its shareholders on a tax deferred basis, resulting in many people paying no tax at all. Thus, we removed the butterfly advantage from all corporate asset sales.

Fourth, Bill C-59 eliminates or reduces regional investment tax credits. The special investment tax credit and the regional component, Atlantic-Gaspé, of the scientific research and experimental development tax credit will be eliminated. The Atlantic investment tax credit rate will be reduced from 15 per cent to 10 per cent. These provisions do not apply to projects under construction before last February 22 or property contracted for before February 22, 1994.

Fifth, there is a provision in the bill to prevent large corporations with $15 million of capital or more from taking advantage of the small business deduction.

Sixth, under the current income tax rules, mine reclamation expenses are deductible only in the year in which they are incurred. This bill allows a deduction for contributions to government mandated mine reclamation trust funds in the year in which they are made.

Honourable senators, this very briefly summarizes the provisions in Bill C-59. Although with yesterday's budget some of these provisions now appear less than exciting, nevertheless, they form an important basis on which yesterday's budget and future budgets will build. I therefore ask for the full support of all honourable senators for this bill.

On motion of Senator Berntson, for Senator Oliver, debate adjourned.

## UNEMPLOYMENT INSURANCE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. John G. Bryden** moved the second reading of Bill C-216, to amend the Unemployment Insurance Act (jury service).

He said: Honourable senators, Senator Gigantès rose to speak about this bill during Senators' Statements. Because he had to leave the house, he asked that I move second reading of the bill.

The purpose of this bill is to remove an oversight and an inequity which prevents a person who is on unemployment insurance from continuing to participate in that program if, indeed, they are called for jury duty, because that would make that person unavailable for employment. I am happy to support this bill. It was sponsored in the other place over a period of a couple of years by a fellow New Brunswicker. I would ask that honourable senators support this bill.

On motion of Senator Berntson, debate adjourned.

## PRIVATE BILL

CERTIFIED GENERAL ACCOUNTANTS' ASSOCIATION—
SECOND READING—DEBATE ADJOURNED

**Hon. Michael Kirby** moved second reading of Bill S-8, to amend the Act of incorporation of the Certified General Accountants' Association of Canada.

He said: Honourable senators, the purpose of Bill S-8 is to modernize the act of incorporation of the Certified General Accountants' Association of Canada, commonly known as the CGA-Canada. This bill brings up to date an 83-year-old statute in terms of its language and concepts as well as in terms of its structure and detail. Bill S-8 does not make any fundamental change to the structure, character, nature or activities of CGA-Canada, nor is CGA-Canada seeking new or expanded powers by this bill.

• (1520)

The Certified General Accountant's Association of Canada is the national professional body of 4,700 certified general accountants. It represents one quarter of Canada's professional accountants. The national organization, which was first formed in Montreal 88 years ago, has affiliated associations in every province and both territories. In two provinces, Manitoba and British Columbia, the CGA is the largest professional accounting body.

Certified general accountants are employed in all aspects of the accounting profession: government, industry and commerce. They are public practitioners as well, providing counselling to numerous small- and medium-sized businesses.

The success of the CGAs in Canada is mirrored in their success worldwide. As many developing nations and former East Bloc countries begin active participation in the global economy, they quickly realize that a sophisticated accounting profession is essential to economic integrity, financial credibility and commercial success. The search for a way to deliver the necessary education and training has led many of these countries to the door of CGA Canada.

It is interesting to note that CGAs have become this country's leading exporter of professional accounting experience. Recently, CGA Canada signed agreements with eight major universities in the People's Republic of China and four universities in Vietnam to provide the CGA training program in those countries. In Hong Kong, the program is presently offered through the School of Professional and Continuing Education at the University of Hong Kong. In addition, the CGA offers programs overseas in the Bahamas, Bermuda, and various countries of Asia, Africa and Eastern Europe.

CGAs sit on the major working committees and the Council of the International Federation of Accountants — the United Nations of the world's accounting profession. They sit on the International Accounting Standards Committee, the international body seeking to harmonize accounting standards so that accountants speak worldwide with one financial language. CGA-Canada has been accredited by the Department of Foreign Affairs to represent the Canadian profession in several international venues, including committees of the OECD and the United Nations.

Bill S-8 will enable CGA-Canada to continue its significant work at the national and international level of the accounting profession by modernizing their incorporating act, bringing it up to date. That act is 88 years old and has not been changed in that period of time.

This bill also provides CGA-Canada with a French counterpart for its English name. Since one-third of Canada's CGAs are francophone, this bill will allow the national association of CGAs to be designated in French as "comptables généraux agréés." The CGAs current governing statute of incorporation provides no French counterpart to the English name, clearly an oversight that needs correction. I bring the issue of the French name to your particular attention because the current act effectively prevents the CGA association from using its correct French name in its national and international dealings because it is not included in the act. This omission has created many difficulties for CGA-Canada at the international level. The granting of an official name in French is being sought solely in respect of the national association and in no way infringes upon provincial legislation. Neither does the granting of a French name for the national association infringe upon provincial authority to stipulate what designation may be used by persons practising accounting within their province.

In short, honourable senators, this bill updates an act that is 88 years old. The CGA does important work. It is for these reasons that I recommend passage of this act by the Senate.

On motion of Senator Berntson, debate adjourned.

[*Translation*]

## REVIEWING CANADA'S FOREIGN POLICY

RESPONSE OF GOVERNMENT TO REPORT
OF SPECIAL JOINT COMMITTEE—DEBATE ADJOURNED

**Hon. Jean-Robert Gauthier** rose pursuant to notice of Thursday, February 16, 1995:

> That he will call the attention of the Senate to the government's response to the recommendation of the Special Joint Parliamentary Committee Reviewing Canadian Foreign Policy, tabled in the Senate on February 14, 1995.

He said: Honourable senators, I am pleased to rise in this place where I have been welcomed so warmly. I want to thank you all for easing my transition in what I consider as one of the most important moves in my life.

Indeed, upon my arrival, I was greeted with praise from my leader, the Honourable Joyce Fairbairn, and a very friendly reception from all of you. I was also greeted with rather phlegmatic and satiric comments, from the Leader of the Opposition in particular. This reminded me that we are not unlike a family. I was pleased to notice that, while some people may be mildly irritating and annoying, the majority of those I have dealt with until now were very pleasant, and I am truly fascinated by the society we live in.

I have had three careers so far. I was a school trustee for 12 years in Ottawa. I was involved in the Ontario education sector. I started back in 1960 to try and convince governments of the desirability of French-language schools in Ontario.

I must tell you that when I left in 1972, I was pretty happy with our success because we had managed to have a French-language elementary and secondary system established in Ontario. I am therefore very proud of the progress made, but there is still a way to go, and, even today, improvements are required to ensure equity between the two official language groups in terms of education across Canada, and particularly in Ontario, where I was born.

Ontario has yet to give its francophone minority governance over schools, despite the fact that, for the past 13 years, this country has had a new constitution, which guarantees official language minorities the right to school governance and the right to their own schools.

Claims that the French Canadian minority in Ontario is having problems should come as no surprise. The rate of illiteracy is very high. In Ontario, 31 per cent of the francophone population is illiterate. The figure is 16 per cent for the anglophone majority. The discrepancy is quite significant and warrants attention. The rate of assimilation for francophones in Ontario is 40 per cent.

This is distressing because if the rate of assimilation remains unchanged, there will be no need to talk of separation. It will happen *ipso facto*. French will be spoken and respected in Quebec, and English will be spoken everywhere else in Canada. A strong and united Canada is a Canada where people respect others' right to speak in the language of their choice and where life is good, in both English and French.

I became a member of Parliament in 1972 and was appointed to the Senate in November 1994. I had the honour of representing one of the most privileged ridings in the nation's capital. Ottawa—Vanier is a riding where you find a mix of linguistic, as well as socio-ethno-cultural groups, where people live in harmony, where the rich get along with the poor, and where Rockcliffe is right next door toVanier and Overbrook. That riding is in the heart of the nation's capital and is a vibrant reflection of the country. Ottawa-Vanier has the largest number of bilingual people; indeed, 57 per cent of the residents speak both official languages. I was born in that riding and I spent my whole life there trying to understand the reluctance of the majority to recognize the validity of the claims made by official language minority groups.

I have had good times as member for Ottawa—Vanier, but I also experienced difficult situations. On the positive side, I could always feel the support of my constituents. I am extremely proud of that and I thank them from the bottom of my heart.

There are several concrete examples of that complicity between myself and my voters. Let me simply say that there are initiatives which still exist, and which will continue to exist for a long time, such as buildings, monuments and museums, including some which benefit Canadian society as a whole, such as educational or learning institutions of which all Canadians are proud.

Honourable senators, I simply wanted to take a few moments to reflect on the report of the Special Joint Committee Reviewing Canada's Foreign Policy.

I am pleased to be able to speak on this topic and am especially pleased that the government generously accepted most of our recommendations, giving us hope that things will soon change.

As you know, I had the pleasure of co-chairing this committee with the Honourable Allan MacEachen. I must tell you from the start that our report is the fruit of vast consultations country-wide. We met close to 500 groups, whose representatives came before us to state their opinion on the future of this country's foreign affairs. We held 70 hearings. We received 550 briefs. The committee members worked very hard, and I must commend each of them for taking part in this democratic exercise.

I was very proud to work with so many members from every party — from the Liberal Party, the Progressive Conservative Party, the Bloc populaire — I meant the Bloc Québécois — and the New Democratic Party. The Bloc populaire brings back memories for me. My grandfather, Philippe Gauthier, lived with us in Sandy Hill; someone drew a big block on the street because he was a member of the Bloc populaire in the fifties.

We hope that our report — and the government's response is encouraging — can serve as a point of reference at the dawn of the twenty-first century.

After much reflection, the government tabled its *Foreign Policy Statement*, which is quite lengthy, but nevertheless adequate.

The government shares our view that Canadians would like our country to maintain its international commitments. Our prosperity, our security and the influence of our values and culture are at stake. Now is not the time to turn inward in the name of a principle which I might call "putting our house in order." Certainly we must tackle our domestic problems directly

and courageously, especially in regard to public expenditure and deficit reduction. However, at the same time, we must acknowledge that a more prosperous, just and equitable society is achieved within a more prosperous, just and equitable world. I am therefore very pleased that the government wishes to focus its energies on three main objectives which are, to remind you, firstly, fostering growth and employment; secondly, safeguarding our security within a stable global framework; and thirdly, promoting Canadian values and culture.

Canada's new foreign policy innovates in several sectors. It clearly underlines the importance of trade and investment in achieving economic prosperity and creating jobs for Canadians and formulates a broader concept of security that includes non-traditional threats to peace and stability such as environmental degradation — which, as you know, threatens our own security by giving rise to uncontrolled migrations, for instance. In all its operations, the government will endeavour to address these issues in a consistent way.

Promoting Canadian values and culture both overseas and here in Canada becomes one of the pillars of our foreign policy. Our values, such as respect for human rights and the rule of law, are essential to our security and our economy, since international acceptance of these values would increase stability around the world. Our foreign policy will celebrate Canadian culture and know-how and use them ot promote our interests. The success of Canadian higher education and culture at the international level will also contribute to our prosperity.

The government gave itself an official development assistance framework within the broader framework of the Canadian foreign policy. This way, the various foreign policy instruments, such as trade and assistance policies and programs, are now fully integrated.

On the eve of the 21st century, the people of Canada cannot expect to achieve their national goals if they do not stick together. As a strong and united nation, Canada has greatly contributed to making this world a better place to live in. As a strong and united nation, Canada will fulfil our aspirations and our children's aspirations. As a strong and united nation, Canada will remain a symbol of peace, tolerance and internationalism in a world in want of peace, tolerance and internationalism. Our government's foreign policy will serve a strong and united Canada and strengthen our union. These make for sound bases that every member of this place can approve.

Honourable senators, I would like to elaborate on this foreign policy as certain aspects of this new policy thrust are of great interest to me and great importance for the development of our country.

If we take only the area of culture, the impact and importance of this industry are enormous. I know that we have a number of people in this chamber with a specific interest in this field. I share their enthusiasm and their desire to tell Canadians about the importance of arts and culture and what the issues are.

As you know, 600,000 jobs in this country are created by these two components: arts and culture. We absolutely must continue to encourage our artists. This morning, in my district, I met a group called Théâtre Action that wants to set up a French theatre in the national capital. They are having a few problems and need support. I wish that we in Canada could make young people and the not so young feel they enjoy public support, because I am convinced that Canadian performers are our best ambassadors on the international scene.

In the report we submitted to Parliament, we recommended that from time to time government ministers or presidents of federal agencies when travelling outside the country should be accompanied by members of the arts community in order to show the world that we in Canada have something that is very very strong and very marketable. I say this because I know that the French do this regularly.

Recently I saw the President of France who was accompanied by a famous French performer on a trip to sell the TGV. In Africa I saw French government representatives who were always travelling with French performers. There is no reason why the Canadian government should not do likewise and encourage members of the arts community in this way and occasionally take steps to make them better known outside the country.

In concluding, honourable senators, I simply want to say that there is a great deal in this report, and I hope you will take an interest in the subject. This is very important, and I will get back to this some other time. I will certainly find another occasion to bring this up again.

**Hon. Noël A. Kinsella:** In your committee's study, of course, you examined the question of international assistance. I wonder whether you could explain briefly what the joint committee thinks Canada's contribution to international assistance should be. On page 106 of the Finance Minister's budget plan, regarding the International Assistance Envelope, it is said that expenditures will be reduced by $532 million in the coming years.

Could you explain, from the point of view of the joint committee, the principles on which Canada's contribution to international assistance is based?

Second, what percentage of our resources should be earmarked for developing countries?

**Senator Gauthier:** Canada's envelope for international assistance to developing countries amounts to roughly $2.6 billion, divided roughly as follows: $600 million to financial institutions, $2 billion to international development assistance, 47 per cent to Africa, about 15 per cent to South America and the rest to Asian countries.

We recommended that assistance to Africa be maintained and, possibly, improved if this ever becomes possible. We also recommended that our presence in South America be increased because this would allow us to make the more palpable improvements.

What percentage would it be? Of course, the target set by Mr. Pearson some years ago was 0.7 per cent of the GDP. That target has not been reached. The best we ever managed was in 1993, when we reached 0.4 per cent. That is not bad compared to the others members of the OECD, for example, where we rank fairly high.

The government, in its wisdom, did not accept the committee's recommendation to maintain or freeze international assistance at 0.4 per cent and perhaps try to reach the targetted 0.7 per cent when the Canadian economy had recovered and we could afford it.

I must say I was a little disappointed. It may be what was announced yesterday. I will have to check what was said exactly. I knew that cuts of over $400 million would be made in development aid. I admit I have to examine that more closely, but I know the committee was not happy with the government's response regarding international aid.

Could you give me your first question again, Senator Kinsella?

**Senator Kinsella:** Certainly, Senator Gauthier. My question was about the vision or principles which formed the basis for the committee's studies.

**Senator Gauthier:** The committee had made recommendations about fundamental principles to be applied to development aid. We even recommended to draft legislation so that all Canadians would know exactly what is, for example, the role of CIDA in development aid. The government was reluctant to legislate with respect to CIDA. Instead, it will undertake to negotiate just how accountable these federal agencies should be, and perhaps also how transparent. In other words, it will determine how they work so that Parliament can know exactly how their funds are spent. I know we are far from the goal in that area. Those agencies must be more accountable and transparent. Maybe the committee should follow up on this recommendation and pressure the government to demand accountability and transparency. I agree with you that the debate must be pursued.

On motion of Senator Andreychuk, debate adjourned.

[*English*]

• (1540)

## THE BUDGET 1995

STATEMENT OF MINISTER OF FINANCE—DEBATE ADJOURNED

**Hon. Mira Spivak** rose pursuant to notice of Wednesday, February 22, 1995:

> That she will call the attention of the Senate to the budget presented by the Minister of Finance on Monday, February 27, 1995.

She said: Honourable senators, I will yield the floor today to Senator Murray.

**Hon. Lowell Murray:** Honourable senators, our friend Senator Spivak has indicated that she will be speaking on this matter at a later day and has encouraged me to launch the debate today.

I must explain that my observations of the budget are not nearly as comprehensive as they might have been had I had more time to do more research and to prepare. However, I do have some comments to make which I hope might stimulate debate and elicit a response from the government side on several important aspects of the budget tabled yesterday by the Honourable Minister of Finance.

The overnight reaction of the financial markets to Mr. Martin's budget, according to reports, has been largely positive — "Very good," says Senator Olson — to the extent that this reaction and response by the financial markets, over time, will be translated into a stronger dollar and lower interest rates. These developments, of course, will be good for the Canadian economy and will be welcomed by all Canadians.

• (1550)

That being said, I have to point out that the minister himself, in his interest rate projections yesterday, expected that interest rates over the course of 1995 will be higher than they are today. If you examine his short-term forecasts of interest rates and, notably, his longer-term forecast for this year, you will see that for the short term he projects interest rates at 8.5 per cent, and for the long term at 9.7 per cent. The bank rate today is at 8.02 per cent, a drop of some 36 basis points from yesterday. Whether it is out of an abundance of caution, as he would have it, or by reason of some more detailed analysis, it is clear the minister expects interest rates from now to the end of this year to rise.

Honourable senators, I ask the question: What will be the economic impact of this budget in general? I do not think anyone would argue that this budget is a stimulative budget in the traditional sense. To what extent then might it have a dampening effect on economic growth? I am not well enough schooled in economics to give an expert reply to that question. However, the raw numbers speak for themselves: $25.3 billion dollars in expenditure reductions over three years; $3.7 billion in tax increases over the same period. Those amounts are coming out of the economy.

**Senator Olson:** That is a seven-to-one ratio.

**Senator Murray:** If you look at the components of the reductions, it is pretty clear that the reductions, in economic terms, will bear more heavily on certain sectors and on certain places in this country. The most obvious example is the decline of 45,000 people in federal employment. Then, of course,

there is the very substantially reduced support for agriculture. Gone is the Crow rate. Down are the dairy subsidies, not to mention the very considerable reduction in the safety net as represented by GRIP and NISA, and so forth. I believe there was a 30 per cent reduction and a vague promise of some replacement, unspecified and unstated, for these agricultural support programs.

Then there is a $211 million hit over three years for the Department of Fisheries and Oceans; a $227-million reduction in the regional agencies; $2.6 billion from the Department of Transport, including the Maritime Freight Rates Act and the Atlantic Provinces Freight Rates Assistance Act. The MFRA has been a part of the Maritime economy since 1927. Now it has gone.

One of the more interesting and least specific items in a rather vague recitation of departmental cuts is the $2.8 billion coming out of the Department of Human Resources. The budget plan is, however, clear in indicating that most of that $2.8 billion will come out of the Canada Jobs Strategy. Then there are further base closures in British Columbia, Alberta and elsewhere.

Honourable senators, this money is being taken out of the economy. It is bound to have an economic impact. It is bound to have an impact on unemployment and economic growth which will be more severe in some sectors and in some places in this country. I have not yet seen an analysis. I do not believe the Department of Finance has published any such analysis. However, we can be certain that we will be hearing a great deal more about it from the sectors and the localities affected over the next year and more.

Within the next 13 months — that is, by 1996-97 — program spending will be $10.4 billion less than in the fiscal year coming to an end next month, 1994-95. More than $4 billion of this will come out of the cash transfers to provinces for medicare, post-secondary education and welfare under the new Canada Social Transfer.

Among the lockups they had yesterday, there was one for representatives of opposition political parties, and I was there on behalf of the Conservative Party. I had an opportunity to ask questions and get clarification from the officials on some of these matters. They confirmed that the reduction in the transfers to the provinces for Medicare, post-secondary education and welfare, as announced yesterday, are on top of the reductions contained in last year's budget. I remind honourable senators that last year from these programs they cut $466 million for the fiscal year 1995-96 and, as they said, at least $1.5 billion for the fiscal year 1996-97. These are big sums of money. I am not here to bleed for provincial treasuries. A lot of the media attention has been on the difficulties of the provincial governments in absorbing these reductions.

Honourable senators, they will not absorb them in the usual sense of the term. There is no way that reductions of this magnitude will not hurt at the level of the recipients of these benefits and services. You can expect that it will hurt at the level of the most vulnerable — welfare recipients, students, the sick, the unemployed.

Take the Atlantic provinces, for example. During the lockup yesterday, I received a document which I think is generally available. It is called "Budget 1995" and it has a table indicating the probable amounts of entitlements to the provinces for these programs — that is to say, medicare, post-secondary education and welfare as they exist today and as they will exist in 1996-97. You will find that in the Atlantic provinces, 13 months from now, there will be $233 million less in federal funding for medicare, post-secondary education and welfare than there is today. This will be difficult to absorb. The recipients will hurt because, as we know, those provinces, like provinces elsewhere in the country, are already implementing quite severe cuts in all of those programs.

• (1600)

I am not as familiar as I should be with what is happening in Prince Edward Island and Newfoundland. However, I do know that the Nova Scotia and New Brunswick governments have been making very substantial compressions in their budgets for health and social programs, most notably for health.

Honourable senators, I say this with some affection, but an unholy alliance has grown up around here in the last couple of months between the Department of Finance and the folks who are in charge of federal-provincial relations. They have managed to convince each other that, in one fell swoop, they can solve the fiscal problem and win the referendum at the same time; that this massive offloading in the guise of decentralization can be dressed up as flexible federalism and sold in Quebec and elsewhere.

It is the height of political naïveté for anyone to think that drastically reduced federal contributions for health, for post-secondary education and for welfare will reinforce the sense of belonging to Canada in Quebec or in any other part of the country. That is highly naive.

**The Hon. the Acting Speaker:** Honourable senators, the honourable senator's time has expired. Does the honourable senator have the unanimous consent of the Senate to continue?

**Hon. Senators:** Agreed.

**Senator Murray:** I will try not to abuse the privilege that the house has given to me.

These cuts, of course, are related. Severe cuts in unemployment insurance will place greater strain on the welfare budgets in the provinces.

What do we find in relation to unemployment insurance? Unemployment insurance reforms, which will be announced in some detail at some future date by Mr. Axworthy, will reduce UI by $700 million in 1996-97. This is on top of the cuts that were announced last February. In last February's budget, the government took $725 million out of UI for 1994-95 and $2.4 billion per year thereafter. These are sizeable cuts.

What the UI program will look like in the future, we do not know. It will certainly be a radically different UI program; leaner and certainly meaner. When I compare the changes made by the previous government to the unemployment insurance system during our second mandate, chiefly to transfer funds from passive to active support for the unemployed, it occurs to me that the severity of those changes brought in by the Conservative government pale in comparison to what is being done by the present government.

How well I recall the outrage of honourable senators opposite. Will anyone ever forget the travelling road show, the committee that travelled all over the country to hear the views of Canadians about these changes? Will anyone ever forget them?

**Hon. Anne C. Cools:** We did not travel all over the country. We went east. You and your government would not let us travel all over the country.

**Senator Murray:** I have an offer for my honourable friend: We should reconstitute that committee so far as possible with the same members, and when Mr. Axworthy brings in his reforms and we have the legislation before us, my honourable friend can go to Canso again, as she did with the previous committee, and to other places in the east and explain and defend what is happening. See for yourself how these reforms are biting, because they will bite very severely for the unemployed in this country.

It is obvious to everyone that cuts of this kind in unemployment insurance, medicare, post-secondary education and welfare will have a disproportionate impact on the poorer regions of this county and will put a greater strain on the budget of these poorer provinces. We all know that.

Senator MacEachen told us a few years ago, during the NAFTA debate, that it was always fair and necessary for parliamentarians to consider who the losers would be in any government policy or government measure. Well, we could make quite a list of losers from this budget, and other honourable senators will deal with specific aspects. It is fair to say that the government has wasted a year.

Time and again in the budget speech, we heard the phrase "getting government right"; that they will get government right. Honourable senators, they have not managed to get government right and, in particular, they have social policy wrong, wrong, wrong.

On January 31, 1994, Mr. Axworthy stood in the House of Commons and announced reform of social policy. I invite you to go back and read the speech, although today it makes rather sad reading. He was to reform six or seven areas of social policy, only one of which, by the way, was entirely within the jurisdiction of the federal government. However, it was his intention to do it. He set out a timetable, which of course has gone by the board because the whole exercise has collapsed. He tried to say that his social security review was not fiscally driven. Three weeks later, Mr. Martin brought in his February 1994 budget in which he booked the savings from the social security review two years down the road.

Mr. Axworthy is one of the most experienced and capable ministers on the other side. He should have seen the handwriting on the wall. His whole exercise was overtaken by Mr. Martin in his 1994 budget three weeks after he had announced it. Despite that fact, Mr. Axworthy took us through this elaborate routine for almost a year of hearings, briefs, speeches and communications plans, all relating to social security review. However, nothing has happened.

Then we come up to Mr. Martin's 1995 budget, and in a classic improvisation, we have unilateral cuts imposed upon the provinces and upon the recipients. Mr. Martin has the temerity to say that there will be consultation when, in fact, he has already determined the outcome of the consultation in his budget.

• (1610)

There is no plan with regard to social security. There is no vision. There is no concept of the government's social responsibility. Even allowing for the seriousness of the fiscal situation in the country, it need not have happened this way. They wasted a year, when a joint approach with the provinces would surely have produced a more considered and realistic plan.

Well might we consider who the losers are from this budget, because they are generally the most vulnerable people in the country. Our old friend, the former Speaker of this place, when he was named Governor General of Canada, chose as his motto a Latin phrase which, translated into English, reads, "Always remember those whom society tends to forget." Far be it from me to try to bring the Governor General back into the partisan fray, but I could not help but wonder this morning what His Excellency must be thinking.

**Hon. H.A. Olson:** Honourable senators, as I listened, it became clear to me, for the first time, how the Tory government got us into such a mess. Every time they produced a new budget, it was always amazing to me that they looked at only one side of the ledger, the spend side, and never seemed to have any concern whatever for the revenue side or the balance between the two.

Earlier today, Senator Murray, who was one of the leading lights, the chief economist in that government —

**Senator Balfour:** The only one.

**Senator Olson:** — went through the whole analysis of the budget without once mentioning the resources. We have to look after all of the financial requirements of the federal government. All he talked about was the cuts. When his party was in office, all they ever talked about was the spending on the one side of the ledger. They never even considered from where it was to come.

The inevitable conclusion of that nine years is absolutely horrendous. The total federal debt when the Tories took office in 1984, after approximately 120 years of Confederation, was a little under $200 billion. That includes paying for two world wars and the Korean war: the total accumulated debt was about $200 billion, or a little less.

**Senator Tkachuk:** A little more.

**Senator Olson:** No, a little less. Nine years later, after the Tories had been in office, the debt was over $500 billion. Their management, in nine years, borrowed twice as much money as all previous governments in Canadian history. That is a disgraceful record.

The honourable senator asks a number of questions: Why are we doing this? Why is the Minister of Finance doing this to some program or another? The simple truth is that you have to cut them all.

**Senator Murray:** Tell us about agriculture.

**Senator Olson:** I will come to that topic. I recommend to Senator Murray and several senators opposite something published by the Department of Finance called "Budget Plan, 1995." It does not matter how you add it up.

By the way, Senator Tkachuk's question is answered in there as well. He wants to see what the seven-to-one ratio is. Senator Murray pointed directly to what the increased revenue will be and what the total amount of the cuts will be, and it is about a seven-to-one ratio. It is in this little book that was sent to honourable senators' offices. It was certainly sent to my office and to Senator Murray's office, so he must have received it as well.

• (1620)

Perhaps honourable senators would like me to be more specific, but I am not sure they want me to talk about all of it.

**Senator Hastings:** Read the book.

**Senator Olson:** The senator also talked about getting it right. There is no question about it; it is there in chart form with an explanation. You can find it in several ways.

During those nine years, The Tories sank Canada into a morass of debt and actually put the Canadian financial structure in jeopardy. That is why interest rates keep moving up. It is important to remember that the Tories took over on September 17, 1984. That fiscal year goes all the way around to April. They were in office for more than half of that year. What did they do about correcting the deficit problem? They did nothing; they made the situation worse. That is exactly what happened.

Canadians understand that we need a tough budget, a difficult budget. There is no question that we must cut expenses. You do not need to be a rocket scientist or a great economist such as Senator Murray to understand that fact. Canadians realize that we are in such a financial mess and that a tough budget is required.

Honourable senators, there will be another tough budget next year as well because this government is determined to achieve, in the eyes of Canadians and the world's financial establishment, a sense that Canada will be a financially sound and stable country. That will take more than one year.

I do not understand how Senator Murray could raise his litany of complaints without mentioning that resources are gone. Why did he not tell us that it is now costing more money to service the debt — that is, the debt service charges on the amount of money the Conservatives borrowed over nine years — than the total cost of the Old Age Security Act — $42 billion.

**Senator Murray:** Did you just find that out?

**Senator Olson:** No, I have known it for some time.

**Senator Murray:** You simply did not tell us.

**Senator Olson:** I pointed it out before, but I do not have as many opportunities to make this speech as I used to have.

Senator Murray wanted to talk a little bit about farm support. That worries me. It is troubling.

**Senator Murray:** What do they say in Medicine Hat?

**Senator Olson:** They say that we should get our financial house in order first. Only then can we have confidence in Canada's future.

It is true, honourable senators, that farmers are not happy with, for example, the termination of the WGTA. That is not good.

**Senator Gustafson:** It amounts to at least $6 billion.

**Senator Olson:** You can use those funny numbers on the one side, but where will the money come from? That is the question. Canada must slow the pace of borrowing money and must stop its slide into debt. In Medicine Hat they say two other things — cut expenses and increase taxes only as a last resource. That is what the budget does.

**Senator Lynch-Staunton:** What about the GST?

**Senator Olson:** Just a minute. I should like to finish off by talking about farm subsidies. Let us talk about the rest of the farm safety net, especially the WGTA. It is the successor to the Crow benefit. Do honourable senators know why the Crow benefit was instituted in the first place? It was instituted by a Liberal government, and $720 million per year was made available. The so-called "Crow benefit" was an undertaking by the railways to deliver grain to point of export in perpetuity in exchange for about $40 million acres of land in Western Canada.

An oil company called Pan Canadian is based on land grants that were given in exchange for the Crow benefit. They got the mineral rights. By the way, that company showed a profit last year of several hundred million dollars. Had I known that Senator Murray was making a speech today, I would have looked up the precise number. I think the figure is about $400 million. That was based on the assets that Canada gave to the railways for hauling grain under the so-called "Crow benefit." Who started to whittle away at that fund of $720 million? I had better keep this in order.

Honourable senators, if you are to cut things from one side of the ledger, you had better cut from the other side as well. In other words, in exchange for the 40 million acres, there was a contractual arrangement to haul grain to point of export in perpetuity. Look up your history. The assets given to CP are still there. They are profitable. Why are we now letting them out of the deal?

**Senator Murray:** What do you suggest?

**Senator Olson:** If honourable senators don't mind, I am making this speech, and I should like to place before you my arguments in the order I choose.

In any event, there was an agreement on both sides.

When I was a part of the federal government, it knew very well that there needed to be a sense of justice in this matter. We could not let the railway get away with charging farmers the full price. We have a difficulty delivering grain for export with respect to our most important competitor, the United States. They ship most of their grain down the Missouri and Mississippi river systems and load it at New Orleans. Who pays that cost? The United States Army Engineers pay for the operation and maintenance of that waterway. When the United States complains that we have a little subsidy for hauling grain out of the most inland portion of Canada, we should remind them of that.

**Senator Gustafson:** Why did we cave into them?

**Senator Olson:** That is what I am asking. Why did the Conservative government three years ago begin reducing the amount paid? It was $720 million. The following year, it became $640 million. Last year — the last year the Tories were in office — it was down to $560 million. It was on a very steep decline.

**Senator Lynch-Staunton:** Where is it going now?

**Senator Berntson:** Not as steep as it is today.

**Senator Olson:** The senators on the other side of the floor should read this book. There is $1.6 billion in the budget plan to pay farmers in exchange for termination of existing arrangements.

Did you notice that, Senator Berntson? Do you know which page? I can find it for you.

I do not quite agree with my government in this area. However, it is better than the Tories could do. I think the time will come when we will need that deal that was made with the railways to remain competitive in the world market. I do not think the United States will change how it delivers grain to New Orleans for export.

We will work on that. In the meantime, however, we must get our financial house in order. There is no doubt that the farmers had to take their share of the hit to get things in order.

**The Hon. the Acting Speaker:** Honourable senator, I must inform you that your time has expired.

Is it agreed that the honourable senator continue?

**Hon. Senators:** Agreed.

**Senator Lynch-Staunton:** The pages are not numbered in this book, which is probably deliberate.

**Senator Olson:** I thank honourable senators.

I wish to come back to some of these historical facts. They are difficult for both sides, and it seems to me that we should now be cooperating. I am amazed at how infrequently the present Minister of Finance and other members of the government bring up the past and the mess the Tories got us into. I am not so generous.

**Senator Lynch-Staunton:** It goes back to 1969. Bring it back.

**Senator Olson:** The electors realized what the Tories had done to our financial system and turned them all out. Perhaps that is enough. However, this government is not very critical of the previous government. They created $300 billion of additional debt and the debt service charges that go with it, all in nine years. Can you believe it?

Honourable senators, I want you to understand that there are financial problems. You can go through all the little numbers and the big numbers. Alberta has decided that it will phase out GRIP completely because the program is not doing what was intended by it. In any event, the government has said to farmers that until March 31 they can now get out of the GRIP and the NISA programs without having to buy their way out.

**Senator Murray:** Mr. Martin facilitated that with the 30 per cent reduction, did he not?

**Senator Olson:** I do not know. We will have other programs when we have reached an agreement.

Honourable senators, let us not kid ourselves about what is coming. Senator Berntson knows it is not easy to farm in Saskatchewan or Alberta and have tremendous debt and debt service charges overhanging the Government of Canada. From time immemorial, the federal government — mostly Liberal governments — has come to the rescue of farmers when they needed it.

**Senator Berntson:** In a big way.

**Senator Olson:** You will remember James Gardiner. He brought out several programs at different times. Then there was Senator Hays. I was there to help once in a while as well.

Senator Murray wishes to speak about the losers. Everyone loses if we do not act in a responsible way with the budget. We must get the deficit down to zero. It is going down to 3 per cent in the next three years, and that is probably as fast as it can go

down without inflicting terrible pain on some Canadians. However, that does not change the fact that you need resources to provide services. The Minister of Finance projected that by the end of this decade, the debt service charges will probably be up to $50 billion. That is more than we spend on medicare; it is more than we spend on many important programs. The Minister of Finance has said, over and over again, that unless we get our financial house in order, nothing else will matter.

• (1630)

It seems to me that we should have the message by now that this is what the Government of Canada is up to — trying to correct this situation. We are on track.

Honourable senators can take polls of Canadians in their own part of the country, in the Maritimes or out in Western Canada. Everyone agrees that it is time for the government to act in a financially responsible way.

**Hon. Wilbert J. Keon:** Honourable senators, I should like to ask a question of Senator Olson. That was a wonderful speech. However, there is something that no one is dealing with: That is the fact that the debt is still growing faster than it ever did before. If the deficits for last year and this year are calculated, we are looking at $65 billion to $70 billion tacked on to that huge, existing debt.

The point is that somewhere along the way, someone has to deal with this problem in a long-term fashion. There was no attempt to do that at all in this budget. I admit there was no attempt to do it either while the Conservatives were in power. However, this whole cascade phenomenon started under Prime Minister Trudeau. It just keeps going and going. Somewhere along the line, governments of every political persuasion and every jurisdiction must come together and work out a financial strategy for dealing with this problem. It cannot go on forever. No matter what happens, it seems to go on despite all the efforts.

**Senator Olson:** Honourable senators, I could not agree more with the Honourable Senator Keon. He has created an abbreviated version of what I was trying to say in a few longer sentences. The honourable senator is right on. We must get at it now. We cannot wait until next year.

However, I would disagree with the honourable senator on a couple of points. One of those is to dispute your statement that nobody is doing anything about the situation. We are making an attempt. That is why there are so many cuts about which Senator Murray has complained.

**Senator Murray:** You have wasted a year already.

**Senator Olson:** The only thing that could have brought this about sooner would have been to get the Tories out of office sooner. The people of Canada did it as fast as ever when they got the chance. There was no election in 1991 or 1992. The election did not come until 1993, but the Canadian people sure did it in a most decisive way then. They were pretty straightforward in their decision, and now there are just two members of that party left in the House of Commons.

**Senator Lynch-Staunton:** You adopted our policies.

**Senator Olson:** I cannot believe what I am hearing. Do you not have the message yet? It is impossible to comprehend that you do not believe that the people of Canada do not want their federal affairs run in that way.

**Senator Lynch-Staunton:** But you misled them. They believed the Red Book.

**Senator Olson:** The promises of the Red Book are being kept almost in their entirety.

**Senator Berntson:** When do we get the GST bill?

**Senator Olson:** The GST is still under consideration. Do you want us to get rid of $18 billion of revenue? In that event, you would have some more problems.

**Senator Lynch-Staunton:** "We shall replace it," you said.

**Senator Stanbury:** You are the guys who replaced the old regime with the GST.

**Senator Olson:** I could not agree more with Senator Keon that we must get on with it. This should have been done a long time ago, but we were not in office then.

[*Translation*]

**Hon. Pierre Claude Nolin:** Honourable senators, after having heard certain remarks, I would like to make a wish. Would it be possible for us to discuss this financial problem of Canada without being partisan?

The Progressive Conservative Party of Canada has definitely made errors, and so have you. I believe that Senator Keon pointed that out quite clearly, and that we all take it for granted. This having been said, is it possible for us to discuss the problem in a civilized, intelligent and reasonable manner instead of exchanging jeers and pointless remarks? Canadians do not want to hear us pester each other or haggle over something they understand. That is my first wish.

Senator Murray instigated this debate, and it is fundamental. I hope that each and every one of us will be able to take part in it because it is of the utmost importance. It is basic to our ability to survive as a federation.

In the months leading up to the tabling of the budget by the Minister of Finance, I was taken with the open-minded approach of flexible federalism as expressed in some speeches by the Prime Minister and the Minister of Finance. I believed then and I believe now that this is the way to go to solve problems such as Canada's financial problem.

Canada's financial problem is not only federal it also has a provincial dimension. When Canadian and foreign financial analysts examine the debt situation in Canada, they are not only looking at the federal government's debt; they are also looking at the debts run up by the provinces. They look at the whole debt picture.

The Minister of Finance referred to flexible federalism in his speech yesterday. I trust his attitude toward the provinces is a reflection of a willingness to solve this problem, which will not be solved in one or two years. It will have to be solved over several years, maybe five, six, or even seven years. Let us hope, at least, that the discussions with the provinces will be conducted in an atmosphere of cooperation.

I made a wish. I wished for an open debate where we would set aside our partisan biases. In any case, both parties have done some wrongs and we all know it. Let us put that aside and discuss the current problem with an open mind.

Let us not forget that the federal government and the provinces all reach into the same taxpayer's pocket. There is only one Canadian taxpayer. When that Canadian taxpayer hears about taxes, the deficit or the debt, he or she does not make the subtle distinction that we make or that the Minister of Finance makes. It is fairly easy to offload the problem to the provinces. It is much more difficult to sit down and discuss the problem with the provinces to try to come to an agreement which would set rules on the way to dig into this taxpayer's pocket.

I had a feeling that the Minister of Finance was opening a door when he talked about flexible federalism, but now I have the distinct impression that he is closing it. I hope he will reopen the lines of communication during this year leading to the first cut in transfer payments.

[*English*]

**Hon. Leonard J. Gustafson:** Honourable senators, I should like to comment on the remarks of Senator Nolin. I will deviate from the rules a little. I think Senator Olson has a very selective memory.

I was elected in 1979. At that time, the debt of the country was $68 billion. We were kicked out in eight months. Joe Clark said we would bring in an 18-cent hike in the gas tax, eliminate the deficit and go to work on the debt. Of course, we all know what happened: We were booted out, and we were very disappointed. Nevertheless, four years later, we came back with 80 seats, I believe.

When Mr. Trudeau was through with us in 1984, the debt of the country was $208 billion and interest rates were at 20 per cent. All one has to do is compound those rates through the years. We would have had a balanced budget during every year of our government if it had not been for that inherited debt of the country.

I want to clarify the selectiveness of what we have been told by Senator Olson. I think this needs to be on the record. That was a disappointing day for us Conservatives.

• (1640)

The country did not want to deal with the very difficult issues that were before us. By the time 1984 rolled around, gasoline cost 93 cents in Macoun, Saskatchewan. It was close to $2 when Mr. Trudeau got through with us, and the debt had escalated. A lot more could be said about that issue, and I think the record should be made straight.

**Senator Olson:** Honourable senators, may I ask a question of Senator Gustafson? I should like to ask Senator Gustafson if he believes that any government in office should deal with only some of the expenses. You have to deal with all of the expenses, including the debt service charges. He talks about programming, but we have never been dishonest enough to try to tell Canadians that you can only deal with some of the expenses. The federal government has to pay all the expenses, including the debt service charges.

**Senator Tkachuk:** I should like to ask a question of Senator Olson. The honourable senator has tried to help me on the seven-to-one ratio. Going back to the book to which he referred, entitled "Budget Speech," the honourable senator noted there is $118 billion in expenditures in 1994-95. It then drops to $114 billion. Remember, I have to answer my own question here because I have not been getting any satisfaction from the government side. It then drops to $107.9 billion, or about $108 billion. The way I calculate it, at the end of two years, it is a five-to-one ratio. In the first year, it is really four-to-one, not seven-to-one. In the second year, it is five-to-one. Then we have to draw a long bow to 1996-97, election year, conveniently, where we have a list of expenditures based on the assumption that there will not be another dime raised through taxes.

I asked the Leader of the Government this afternoon whether that meant that there will not be one more dime of increased taxes between 1996-97 and whether there were assurances to that effect. That is all I want to know because that is the only way the Minister of Finance can keep to his seven-to-one ratio.

**Senator Olson:** Senator Tkachuk knows very well that the Minister of Finance was not delivering a budget for the next three years.

**Senator Tkachuk:** Yes, he was.

**Senator Olson:** He did what ministers of finance have always done. I think it is what they are required to do, either by law or convention. They take the changes they have made and project them over several years. I think that is what the Minister of Finance did.

What comes out of that is that there are some $3.8 billion in additional revenues in this budget that will come out in that period of time; and there are $22 or $23 billion dollars in cuts in expenditures. That will be savings, if you want to call it that, or at least a cut from what was in effect last year. If the honourable senator calculates that out, it works out to about seven-to-one. That is not hard to understand.

**Senator Tkachuk:** I did figure it out, Senator Olson, which is why I am trying to get your help.

**Senator Berntson:** You are the chief economist on that side.

**Senator Tkachuk:** The honourabe senator wants to discuss this matter; I do not, quite frankly. I am not the one who assured the Canadian people that there will be only a $1 increase in taxes for $7 worth of expenditures. iI was the Minister of Finance himself who said that. He certainly did not tell the Canadian people, "By the way, the trick is that we will get the $1 this year, and you will get the $7 three years from now." I do not believe that is what the Canadian people thought would happen. They thought we would have a $1 increase in taxes and $7 in cuts this year. The Minister of Finance did not tell them, "We will take the dollar this year, and we will give you the cuts three years from now." That is not what he said.

In order for him to keep his promise, he must not increase taxes in the three years. I am asking whether that is his intention, because he certainly did not state that in the budget document.

**Senator Olson:** I do not understand why Senator Tkachuk cannot get that straight.

**Senator Tkachuk:** I do not understand Liberal economics. I am trying to get some help here.

**Senator Olson:** It is very simple. As he said in his budget, if you project what he has done with respect to increased taxes — that is, on the revenue side — it will amount to something over $3 billion for the three years. We are not going to get all that money in one year. The cuts, or the downsizing of various expenditures over that same three-year period, will be somewhere around $23 billion. You do not need to be a rocket scientist to divide three into twenty-four. It comes to seven-to-one. That is exactly what the Minister of Finance said it was. There are $7 of cuts for every $1 of revenue.

**Hon. Marcel Prud'homme:** I should like to ask a question of my honourable friend Senator Olson, knowing his vast experience both in the House of Commons and in this place, not to mention in cabinet.

We must always have the role of the Senate in mind. As we all know, the Senate should be representative of the regions. It should be the guardian and protector of minorities. When we speak of minorities, we must abandon the idea that we always mean linguistic minorities. There are all kinds of minorities.

Modernization of the Senate is an idea that I have been trying to put forward in the press and over radio on hot-line shows. The reaction is interesting.

I read the highlights of the Main Estimates late last night and this morning. I also read the government expenditure plan. We all agree we have to kill this monster called the deficit. Only then can the country again allow itself to be generous, create new programs and do the things that a government is supposed to do well. However, we first have to get out from under this debt problem.

What does the honourable senator think of putting a group of senators together to transform the Senate into a vast public accounts committee with subcommittees that would look into this matter year round?

We would not examine only a department or two, as the House of Commons tries to do. We all know from experience that when the House of Commons says they will look into the estimates of one department in a given year, the other departments say, "Oh, boy, I avoided being scrutinized this year." It is like a lottery. If it is an election year, we know that attendance at committee hearings is not as good as we would expect, because in order to be re-elected, every member must become involved in other activities that deprive them of being as attendant as they would like to be. Sometimes the whips fill the empty seats with members who have no interest at all in the expenditures.

What would be the honourable senator's opinion of that kind of committee, a multiplicity of smaller committees looking into each envelope of the budget? We have the right to call in any witnesses that we want on a yearly basis. I agree that we should not do it five days a week, twelve months a year, but we could be regularly calling in people and asking, "What is this, and what is that?"

Looking into the details of the budget, I am still of the strong opinion that we could help the country get back on its two feet by cutting here, transforming there, or calling on deputy ministers or ministers to explain why we have such and such a program in 1995 or the year 2000.

Does the honourable senator believe that something along these lines could be done, given the honourable senator's vast experience in the House and Senate administrations?

**Senator Olson:** Honourable senators, there is today a structure called the Standing Senate Committee on National Finance that will achieve almost everything for which Senator Prud'homme is asking. Senator Doody is now the chairman, and his committee will be meeting on the Estimates in a few days. They were tabled in the House of Commons today.

**Senator Graham:** They were also tabled here.

**Senator Olson:** We have them here as well. The vehicle is already there. We could make good use of it. I know that members on both sides have taken a deep interest in that process. They did particularly when I was chairman of the committee.

• (1650)

I believe that committee chairmanship of the National Finance Committee belongs to the opposition. We had it when we were in opposition and the opposition has it now. If that committee

decides to take up the matter, it is possible to get into any department you like as deep as you like. It has one great advantage over the so-called Public Accounts Committee in the House of Commons. That is that matters can be examined before they spend the money, as opposed to after. The Public Accounts Committee of the House of Commons looks at the Public Accounts long after the money has been spent. The National Finance Committee of the Senate can take a look at the so-called "blue book of Estimates," which is now in our possession, and thoroughly examine any parts of it we want before the money is spent. That is a great advantage.

I want to caution the honourable senator that if he wants to carry matters farther and have that committee assume control and authority over expenditures, then he must change a lot of other things. It is a long-established fact that the House of Commons has control of the purse strings. I am not about to challenge that authority. I believe the elected members ought to have that control, as they do through the appropriations, the supply bills that they pass from time to time, including the main supply bill which is usually dealt with near the end of June each year.

The honourable senator is right. If any member of this chamber wants to take an interest in the National Finance Committee and discuss that matter with the Chairman, Senator Doody, I am sure they can achieve exactly what the honourable senator is suggesting.

**Senator Prud'homme:** Honourable senators, I totally agree that that is the committee for that job. My idea goes a step farther. If you ask some senators to attend that particular committee and take an overall interest, it will not work. One who is a specialist in everything ends up being a specialist in nothing.

My idea is to subdivide the work of the National Finance Committee, where members who have greater affinity for certain issues and departments — for instance, the Honourable Senator Olson's interests are in agriculture, energy, foreign affairs, external aid and national defence — could quietly, year-round look into every program and make strong recommendations on how money could be spent and saved.

I am talking about a specialized Senate. I agree with the honourable senator, but you cannot ask the National Finance Committee to look into the details of every program or every department. It is along these lines I would like to continue my conversation.

**Senator Olson:** Honourable senators, that has not been my experience. My experience is any member who showed up at National Finance Committee meetings could ask any question he wanted about any expenditure in the entire book, and could go into it as deeply as he wanted. Sometimes as many as seven or eight people from the Treasury Board were present, and they would give detailed answers on every question raised. I certainly have no objection to the honourable senator promoting his idea. He may have difficulty achieving high attendance all the time.

**Hon. John B. Stewart:** Honourable senators, I wonder if I could ask a question of Senator Prud'homme? My purpose is to determine the soundness of his proposal. I agree with Senator Olson that the National Finance Committee has done some pretty good work. It was my experience that the committee did its best work, not when it was dealing with the Main Estimates, but when it was dealing with Supplementary Estimates. Why? Because the votes in the Supplementary Estimates tended to be very specific. They dealt with specific projects or the supplementing of the funds for specific purposes.

Senator Prud'homme has come to the Senate recently from the House of Commons. Prior to December of 1968, the spending estimates were dealt with ultimately in the House of Commons Committee on Supply. In December of 1968, the rules were changed so that the spending estimates of each of the departments and agencies were sent out to the standing committees.

My impression is that that technique has not worked out very well in the House of Commons. The standing committees do not do the work on the Estimates that it was anticipated they would do. It may well be that part of the problem of the debt is not attributable to the executive government, whether it is Tory or Grit, but to the fact that the backbenchers in the House of Commons have not tried to pare the Estimates. They have not put pressure on the Estimates. I am not suggesting that they would cut the votes at any particular year, but by expressing uncertainty as to the value of the vote, they would assure that it would be lower in the following year.

I am looking for an explanation as to the nature of the business and of the procedure. Why does the honourable senator think that we could do a better job than a much larger house could do with regard to the spending estimates?

I am asking him indirectly, and I know he would not presume to do this directly. How could the House of Commons change its procedure so it could do the job that is more properly its job than ours?

**Senator Prud'homme:** Honourable senators, I must say I recognize a scholar and a teacher when I see one. I appreciate this exchange. This is probably why I became a senator.

Yes, I do believe that the Senate could do better. Why? First, there is continuity. The fact is that senators generally spend a longer period of time in the parliamentary process. In the other place, there is a continuous flow of people on committees. That does not develop expertise. That is my experience after 30 years in the House of Commons.

• (1700)

There is another fact, and it is the way committee members are chosen in the House of Commons. I am not critical because that is the system, although I must say that I never liked it. It is a question of protecting the government, a minister or a department. In my estimation, some of these people never develop an expertise in a department. The necessity of having to be elected subjects them to an immense amount of pressure when they have to comment on government programs.

I have very rarely heard a member of Parliament say that a popular program should not be a federal government program, because politically speaking that is very dangerous. As I said earlier, continuity is immensely important.

We do not need protection here. We concern ourselves with the best interests of Canada. We have expertise. Each of us goes to various committees. I attend the committee on foreign affairs because that is where I feel most at ease. I have 30 years of experience in that field. Perhaps I have something to offer Canadians.

The problem in the House of Commons is the lack of continuity. Half of the members of Parliament are extremely devoted and they develop expertise. However, they are always surrounded by new members, because the Whip will decide that a new member should replace someone because they have to be elected. There is no continuity. Members who have done their duty and are faithful to their committee and their mandate sometimes have to go back to square one on new programs because new members have joined. In my view, this gives strength to members of the committee.

We have all heard confidences from various bureaucrats. I will quote one to which a good friend of mine, Mr. Mazankowski, was a witness. I do not think it is unfair to quote him. He was in the company of two other ministers one night, having coffee. There was one Liberal there and myself. I am still liberal-minded, even though I now sit far away.

He said, "I was always more afraid to go to a Senate committee." Mr. Mazankowski was there as a witness. He said, "There is nothing more difficult for a minister than to appear before a Senate committee. I prefer at any time to appear before a House of Commons committee."

It is not that they are not serious, but as I said, they lack continuity and long-term expertise. They were less afraid to appear before a House of Commons committee because they felt they had a majority to protect them there.

Protecting a minister is contrary to what a committee should be about. I was chairman of the committee on foreign affairs and national defence. I was a fair chairman, but I always had in mind protection for ministers who would appear. I say that openly.

I do not think this would happen in the Senate. This is only food for thought. I hold no grudge. I am not a pusher. We must think of what is best for Canada using an existing institution. That is very important to me.

I went on television recently. Viewers were offered the opportunity to destroy me. I did not mind. I said that I was not there to defend the Senate, but to talk about it. What can the Senate do? Why does the Senate exist? Can we use it? Why hit your head against a wall? If the Senate is to remain in place until Canadians decide that it should not exist, why do we not use it?

My small contribution is to say that that may be a way to use the talent of the Senate.

On motion of Senator Berntson, debate adjourned.

## BUSINESS OF THE SENATE

**Hon. Anne C. Cools:** Honourable senators, I ask leave to revert to "Notices of Motions" —

**Hon. Noël A. Kinsella:** I rise on a point of order. Honourable senators, rule 9(2) of the *Rules of the Senate* reads:

> During any sitting of the Senate, when a Senator draws the attention of the Senate to the possible lack of a quorum...

Honourable senators, I do not think we have the authority to continue to conduct business. There is no quorum.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I move that the Senate do now adjourn.

**The Hon. the Acting Speaker:** Honourable senators, it is moved by the Honourable Senator Graham, seconded by the Honourable Senator Olson, that the Senate do now adjourn.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

The Senate adjourned until Wednesday, March 1, 1995, at 1:30 p.m.

# APPENDIX

**Address**

**of**

**Mr. William J. Clinton,**

**President of the United States of America,**

**to**

**both Houses of Parliament**

**in the**

**House of Commons Chamber, Ottawa,**

**on**

**Thursday, February 23, 1995**

## APPENDIX

Address
of
Mr. William J. Clinton,
President of the United States of America,
to
both Houses of Parliament
in the
House of Commons Chamber, Ottawa,
on
Thursday, February 23, 1995

• (1505)

[*English*]

*Mr. and Mrs. William J. Clinton were welcomed by the Right Honourable Jean Chrétien, Prime Minister of Canada, by the Honourable Gildas Molgat, Speaker of the Senate and by the Honourable Gilbert Parent, Speaker of the House of Commons.*

**Hon. Gilbert Parent (Speaker of the House of Commons):** My colleagues, I call this meeting to order.

Mr. President, it is a great privilege for Canadians to have you address this joint session of the Senate and the House of Commons. We are honoured to have you with us today.

I now call upon the Right Hon. Prime Minister Jean Chrétien to introduce our distinguished guest.

• (1510)

**Right Hon. Jean Chrétien (Prime Minister):** Mr. President, it is an honour to welcome you to Parliament on behalf of all Canadians. Before speaking a word in this Chamber, I must say you have already given eloquent proof of the friendship between our two nations by agreeing to visit Ottawa in February.

I would like to tell you, Mr. President, that something very unusual occurred yesterday in this House. By unanimous vote of all members of the House of Commons it was resolved that, very rare in the month of February, we were to have a good spring day for you today.

Mr. President, the cold weather outside that we normally have may be typically Canadian, but so is the warm welcome for you inside today. It is a warmth that we reserve only for our closest friends.

**Some hon. members:** Hear, hear!

**Mr. Chrétien:** A great deal has been written and said about the friendship between our two countries. It has not always been an easy friendship, which is normal considering one friend is a relatively small nation and the other is the most powerful nation in the world. As one member of this House put it three decades ago, the Americans are our best friends, whether we like it or not.

**Some hon. members:** Oh, oh!

**Mr. Chrétien:** Our relationship has grown and evolved through the years. Today, like any mature, healthy friendship, it is a friendship between equals. As friends and neighbours, we are able to separate business and friendship when we must. In the vast majority of cases, we are able to work together, as we always have, toward common goals.

The fact is, Mr. President, that both our administrations were elected on a platform of jobs and growth. We have both focused on a job and growth agenda in office. In each country our agenda has been working with strong, steady and lasting economic recoveries in Canada and the U.S.

[*Translation*]

You can listen to the translation now, Mr. President.

[*English*]

That is the way we do things in Canada, you know.

**Some hon. members:** Oh, oh!

• (1515)

[*Translation*]

**Mr. Chrétien:** Our economies have strong links. More trade goes on between our two nations than any other two nations in the world — almost a billion dollars a day, every day. If one country does well, the other benefits. And if both economies are going strong, there is no stopping us. Jobs in British Columbia mean jobs in Washington State. Jobs in Ontario mean jobs in Michigan. Jobs in Quebec mean jobs in New York State.

But our shared goals go beyond our immediate relationship. Both our administrations understand that increased and liberalized trade everywhere means jobs and growth in our countries.

You and I were together in Jakarta in November when the Asia-Pacific countries committed to a free trade zone by the year 2010, and at the conference you chaired in Miami in December, where all the countries of the hemisphere agreed on a Free Trade Area of the Americas by the year 2005.

I want to salute you, Mr. President, for the role you have played in realizing this new vision. And you have not confined this vision to economic matters. You took decisive action in leading the restoration of democracy in Haiti, and you have played a key role in the remarkable breakthroughs in the peace process in the Middle East.

[*English*]

Mr. President, you have understood the forces shaping the modern global economy. You have worked to ensure a new unity and optimism in the hemisphere. You have worked to bring people and countries together. These are all goals that this House and the people across Canada share with you. We are committed to working with the United States and other nations to achieve them.

My recent travels to Asia and Latin America have reminded me that it is more important than ever to have a strong U.S. role in the world. The upheavals of the post-cold war world mean that the United States can and must play a bigger leadership role than ever.

Our own government has outlined our new foreign policy direction. We want to continue Canada's long tradition of promoting global peace and security. We all learned long ago that isolation is much more costly and dangerous than international cooperation.

Mr. President, you may not know it, but among your predecessors who have addressed the Parliament of Canada during your lifetime are Harry Truman, Dwight Eisenhower, Richard Nixon and Ronald Reagan. They all had one thing in common. They were all elected for a second term.

**Some hon. members:** Hear, hear!

**Mr. Chrétien:** Now, that might not seem like such a remarkable coincidence. But look at the recent presidents who have not addressed the Canadian Parliament: Gerald Ford, Jimmy Carter and George Bush.

[*Translation*]

I will, however, refrain from drawing any conclusions from that, Mr. President.

As you know, Canada adheres strictly to a policy of non-interference and non-intervention.

[*English*]

Any way you look at it, Mr. President, we are delighted that you have accepted our invitation.

Mr. Speaker, honoured members, senators and dear guests, I give you our friend and neighbour, the President of the United States of America, William J. Clinton.

**Some hon. members:** Hear, hear!

• (1520)

**Mr. William J. Clinton (President of the United States):** Mr. Prime Minister, Mrs. Chrétien, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, honourable senators and members of the House of Commons, distinguished members of the diplomatic corps, ladies and gentlemen; I have pondered for some time the differences between the Canadian political system and the American one. When the Prime Minister pointed out the unanimous resolution you passed yesterday, I realized that in one respect clearly you are superior. We do not control the weather in Washington, D.C. and I am grateful that you do.

**Some hon. members:** Oh, oh!

**Mr. Clinton:** I also thank the Prime Minister for his history lesson. I have never believed in the iron laws of history so much as I do now.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** I thank the Prime Minister and all of you for welcoming me to this magnificent capital city. The Prime Minister first came to this Chamber to represent the people of Canada when President Kennedy was in the White House. I resent that because when President Kennedy was in the White House I was in junior high school. Now the Prime Minister has less grey hair than I do. And he does, in spite of that fact that since that time he has occupied nearly every seat in his nation's cabinet. The first time I met him I wondered why this fellow could not hold down a job.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** I can tell you this, we in the United States know that his service to this nation over so many years has earned him the gratitude and the respect of the Canadian people. It also has earned the gratitude and the respect of the people of the United States.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** I know it is traditional for American presidents when they address this body to speak of their affection for their ties to the Canadian people. On behalf of the United States let me stay with that tradition and say l'amitié solide, but let me say to you that it is a big part of our lives.

I remember so well more than a decade ago when Hillary and I with our then very young daughter came to Canada to celebrate the New Year. We started in Montreal and drove to Château Montebello. Along the way we drove around Ottawa and watched all those wonderful people skating along the canal. I come from a southern state. I could not imagine that anybody could ever get on skates and stand in any body of water for very long. I can see that Hillary has had in the back of her mind all this long time how much she would like to be skating along this canal. I think tomorrow Mrs. Chrétien is going to give her her wish. We will be looking forward to that.

My wife has visited Toronto and we had a wonderful, wonderful family vacation in Western Canada in Victoria and Vancouver back in 1990. It was one of the best times that all of us have ever had together anywhere.

We are deeply indebted to your culture. Our daughter's name was inspired by Canadian songwriter Joni Mitchell's wonderful song "Chelsea Morning."

All of you know that in the spring of 1993, the first time I left the United States as president, I came to Vancouver for the summit with President Yeltsin. Both of us at that time were under some significant amount of stress as we tried to reaffirm our relationship and solidify democracy in Russia. I can say without any equivocation, the reception we received from the people of Canada as well as from the government and the Prime Minister made it very, very easy for us to have a successful meeting. For that we are very grateful.

• (1525)

I come here today to reaffirm the ties that bind the United States and Canada in a new age of great promise and challenge: a time of rapid change when both opportunity and uncertainty live side by side in my country and in yours; a time when people are being lifted up by new possibilities and held down by old demons all across the world.

I came here because I believe that our nations together must seize the opportunities and meet the challenges of this new age. We must, I say again, do this together.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** From the oil from Alberta that fires factories in the United States to silicon chips from California that power your computers, we are living proof of the value of partnerships and cooperation.

Technologies produced in your nation saves lives in our hospitals, while food from our farms line your supermarkets. Our horizons have broadened because we have listened in the United States to the CBC.

Our culture is much richer because of the contributions of writers like Robertson Davies, who Hillary had the pleasure of meeting last week after reading him for years, and Margaret Atwood; also, the wonderful photography of Yousuf Karsh, whose famous picture of Churchill I just saw. He took some pictures of Hillary and me that are not so distinguished, but I love them anyway.

As a musician, I have to thank you especially for Oscar Peterson, a man I consider to be the greatest jazz pianist of our time.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** Ours is the world's most remarkable relationship. The Prime Minister said, "whether we like it or not." I can tell you that on most days I like it very, very much.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** We have to strengthen that relationship. We have to strengthen it for our own benefit through trade and commerce and travel. We have to strengthen it because it is our job to help to spread the benefits of democracy and freedom and prosperity and peace beyond our shores.

We are neighbours by the grace of nature. We are allies and friends by choice. There are those in both our nations who say we can no longer afford to, and perhaps we no longer even need to, exercise our leadership in the world. When so many of our people are having their own problems, it is easy to listen to that assertion. But it is wrong.

We are two nations blessed with great resources and great histories. We have great responsibilities. Our countries were built, after all, by men and women who fled the tyranny and the intolerance of the old world for the new.

We are the nations of pioneers, people who were armed with the confidence they needed to strike out on their own and to have the talents that God gave them shape their dreams in a new and different land.

Culture and tradition, to be sure, distinguish us from one another in many ways that all of us are still learning about every day. But we share core values and that is more important: a devotion to hard work, an ardent belief in democracy, a commitment to giving each and every citizen the right to live up to his or her God-given potential in an understanding of what we owe to the world for the gifts we have been given.

These common values have nourished the partnership that has become a model for new democracies all around the world. They can look at us and see just how much stronger the bonds between nations can be when their governments answered the citizens' desires for freedom and democracy and enterprise, and when they work together to build each other up instead of working overtime to tear each other down.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** Of course we have our differences. Some of them are complex enough to tear your hair out over. But we have approached them directly and in good faith, as true friends must. We in the United States come more and more every day to respect and to understand that we can learn from what is different about your nation and its many peoples.

• (1530)

Canada has shown the world how to balance freedom with compassion and tradition with innovation in your efforts to provide health care to all your citizens, to treat your senior

citizens with the dignity and respect they deserve, and to take on tough issues like the move afoot to outlaw automatic weapons designed for killing and not hunting.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** I might say, since you applauded so, that you were doing it in a nation of people who respect the right to hunt and understand the difference between law and order and sportsmanship.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** Those of us who have travelled here appreciate especially the reverence you have shown for the bounty of God's nature from the Laurentians to the Rockies. In a world darkened by ethnic conflicts that literally tear nations apart, Canada has stood for all of us as a model of how people of different cultures can live and work together in peace, prosperity and understanding.

**Some hon. members:** Hear, hear1

**Mr. Clinton:** The United States, as may of my predecessors have said, has enjoyed its excellent relationships with a strong and united Canada but we recognize, just as the Prime Minister said with regard to your relationships to us a moment ago, that your political future is of course entirely for you to decide. That is what a democracy is all about.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** Now I will tell you something about our political system. If you want to know why my State of the Union Address took so long, it is because I evenly divided the things that would make the Democrats clap and the Republicans clap, and we doubled the length of the speech in common enthusiasm.

I ask all of you to remember that we do look to you and to remember what our great President of the post-war era, Harry Truman, said when he came here in 1947: "Canada's eminent position today," he said, "is a tribute to the patience, tolerance and strength of character of her people. Canada's notable achievement of national unity and progress through accommodation, moderation and forbearance can be studied with profit by sister nations". Those words ring every bit as true today as they did then.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** For generations now our countries have joined together in efforts to make the world more secure and more prosperous. We have reached out together to defend our values and our interests in World War I, on the beaches of Normandy and in Korea. Together we helped to summon the United Nations into existence. Together we stood fast against communist tyranny and prevailed in the cold war. Together we stood shoulder to shoulder against aggression in the Gulf War. Now our nations have stepped forward to help Haiti emerge from repression and restore its democracy. I thank the Prime Minister for what he said about that. When it was not popular anywhere in the world to worry about poor, beleaguered, abandoned Haiti, Canada was truly a friend of Haiti.

• (1535)

**Some hon. members:** Hear, hear!

**Mr. Clinton:** In one international forum after another we stand side by side to shape a safer and a better world. Whether it is at the World Population Conference pushing together for an indefinite extension of NNPT in any number of ways we are working together.

We know that for Canada this history of action is a matter of deep tradition and personal conviction. The tradition runs from Lester Pearson to Jean Chrétien. It says that we must be engaged in the affairs of the world.

You have always shown the wisdom of reaching out instead of retreating, of rising to new responsibilities instead of retrenching. Your tradition of engagement continues to this day and, believe you me, it earns respect all around the world from people of all races, ethnic groups and political systems.

In places like Cyprus and the Sinai, Canadian troops have played an invaluable role in preventing more violence in those critical hot spots. Today your 2,000 peacekeepers in the former Yugoslavia are courageously fulfilling their mission in the midst of one of the most intractable, difficult problems in our lifetime.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** For a half century the United States has shared your philosophy of action and consistent exercise of leadership abroad. I am determined, notwithstanding all the cross-currents in our country, that we shall preserve that commitment.

These times may be turbulent, but we have an historic opportunity to increase security and prosperity for our own people and for people all around the world. I want you to know that I intend to do everything in my power to keep our country constructively involved in the problems that we must face if we are going to guarantee that our children will live in a peaceful, sane and free world.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** Imagine what the Persian Gulf would look like today if we had not risen to the challenge of Iraqi aggression. Imagine what tariffs and barriers would plague the world trading system if we had not worked so hard together over such a long period of time from the end of World War II to the events which the Prime Minister described, to the NAFTA, to the GATT, to the Asia-Pacific cooperation, to the Summit of the Americas that was held in Miami in December. Imagine how different it would have been. Imagine how much worse the horrible tragedy in Rwanda would have been if we had not been there to try to

provide essential help in those refugee camps to keep people alive.

We cannot let anyone or anything break this great tradition of our nations. In our partnership we will find the key to protecting our people and increasing their prosperity and the power to reach beyond our shores in the name of democracy and freedom not only because it is right but because it is our interest to do so.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** Just before we came down here, the Prime Minister and I agreed again that if we are to going meet these new challenges in the 21st century, we must adapt the institutions that helped us to win the Cold War so that they can serve us as well in the 21st century. We have to do that.

Some have evolved with the changing world. Some have clearly already discarded their old missions and assumed new roles. We have also seen at the end of the East-West conflict the advent of 24-hour financial markets, sudden environmental disasters, the rise of international terrorism, and the resurgence of ancient ethnic hatreds. All these things have placed new demands on these institutions that the statesmen of 50 years ago simply did not imagine.

• (1540)

The 21st century will leave behind those who sit back and think that automatically these problems will be solved. We simply have to face these challenges and ask ourselves what we have to change and how we are going to do it.

For example, to meet the security needs of the future we must work together to see that NATO, the most successful military alliance in all of history, adapts to this new era. That means we must make certain that the inevitable process of NATO expansion proceeds smoothly, gradually and openly. There should be no surprises to anyone about what we are about. We will work so that the conditions, the timing and the military implications of NATO expansion will be widely known and clearly understood in advance.

To parallel the enlargement of NATO we have to develop close and strong ties with Russia. I have worked hard for that and so has the Prime Minister. We must continue working together at the United Nations where our nations have together taken the lead in efforts to reform our peacekeeping operations, to control costs, to improve information gathering, and to make sure we have the right kind of command and control system before the young people who put on our uniforms are put in harm's way.

We have to continue also to work at reforming international economic institutions. We have already made some great strides in reshaping the global economy with the passage of GATT, which is the most comprehensive trade agreement in history. The work is only beginning.

At the upcoming G-7 summit in Halifax, which we are very much looking forward to, we will be working to ensure that our international trading institutions advance the cause of trade liberalization in ways that produce tangible gains for the people of the countries involved.

We also have to re-examine the institutions that were created at the time of Bretton-Woods, the IMF and the World Bank, to make sure they are going to be able to master the new and increasingly complex generation of transnational problems that face us, problems like explosive population growth and environmental degradation, problems like those that we have been facing together in Mexico and throughout Latin America and the recent financial crisis.

Real progress in all these areas will depend not only on our willingness to be involved but our willingness to lead as partners. Together, Canada and the United States are striving to seize all the advantages the new global economy has to offer.

We know that trade produces high-wage jobs, the kinds of jobs that give our people the opportunity to care for their families, to educate their children and to leave the next generation better off than they were, a dream that has been called into question in many advanced economies in the last few years.

The success of NAFTA, which is generating new jobs and creating new markets from Monterrey to Medicine Hat, is the proof. As the Prime Minister has said so well, we in NAFTA are on our way to becoming the four amigos. That phrase will go down in history; I wish I had thought of it.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** We will soon start our consultations with Chile for accession to NAFTA and it will be a very good partner. The addition of that thriving economy will only continue to increase the benefits for all of us.

I want to take another moment here to thank Canada for its recent support and help in the financial crisis in Mexico. You understood what we had on the line, that more than Mexico was involved, that jobs and trade and future and our support for democracy and stability throughout Latin America were at issue. You understood it and we are grateful. Because we stood shoulder to shoulder we have a chance to preserve this remarkable explosion of democracy that we saw at the Summit of the Americas, and we should continue to do that.

**Some hon. members:** Hear, hear!

**Mr. Clinton:** I want to say a word, if I might, about the environment. As we expand trade, we have to remember we must defend that which we have inherited and enhance it if we can.

• (1545)

The natural riches of this continent we share are staggering. We have cooperated to such great effect on our continent in the past: our air quality agreement is solving the acid rain problem; the Great Lakes are on the road to recovery; the eagles have returned to Lake Erie. Now we have to build on those accomplishments.

With the NAFTA Environmental Commission located in Montreal, your country will play a key role in ensuring that we protect the extraordinary bounty that has been given to us for our children and our grandchildren. NAFTA is only one of several fronts on which we can work together to both increase our prosperity and protect our environment. But we must do both.

Our nations are building on the progress of last year's Summit of the Americas as well. It will create a free trade area embracing the entire hemisphere. Across the Pacific, as the Prime Minister said, we have paved the way for new markets and for free trade among the dynamic economies in the Asian-Pacific area. That was a very important thing for us to do because those nations are growing very fast, and we do not want this world to break up into geographical trading blocks in ways that would shrink the potential of the people of Canada and the United States for decades to come.

All these efforts will only enhance what is now the world's greatest trading relationship; yours and ours. Every day people, ideas and goods stream cross our border. Bilateral trade now is more than a billion Canadian dollars every day — I learned to say that — and about $270 billion United States dollars last year. It is by far the world's largest bilateral relationship. Our trade with each other has become an essential pillar in the architecture of both our economies.

Today 4.5 million Americans have jobs that involve trade between our two countries. Those are the concrete benefits of our partnership. Between 1988 and 1994, trade between our nations rose about 60 per cent. Last year alone it increased by 15 per cent. But the statistics do not give the human reality behind the flourishing exchange of goods and ideas. Our trade is creating real jobs for real people.

In Boscawen, New Hampshire, for example, a small company called Secure Care Products produces monitoring systems for patients in nursing homes. Recently Secure Care began exporting its products to Canada. Sales are already growing fast and the company expects them to triple this year. And so Secure Care is hiring people like Susan Southwick, the granddaughter of a Quebecer, the mother of two and now the company's 26th employee, giving Susan and her husband a shot at the dream which Canadian and Americans share. That is what this partnership is all about.

Much further away from you in Greensboro, North Carolina, another small company called Createc Forestry Systems is showing how our trade helps people turn their hopes into realities. Founded by a man named Albert Jenks in his family's kitchen, Createc makes hand-held computers that track lumber mill inventories. Those computers help managers assess their needs better, so fewer trees are cut unnecessarily.

A few years ago Createc began to export to Canada, and now those sales accounts have risen to nearly 20 per cent of their total business. That means a more secure future for the company, for Mr. Jenks, for his son, Patrick, who works with his father in the family business. It shows how our trade can increase our prosperity and protect the environment as well.

Your companies are thriving in our markets, bringing tangible benefits to Canadians. Whether it is repairing the engines of some of the U.S. air force's largest planes or manufacturing software to manage our natural resources or building some of the Olympic village for Atlanta's 1996 games, Canadian firms are a strong presence in the United States. Their successes there help your people to turn their hopes into facts and their dreams into reality.

The example of our biggest industry shows another side of this remarkable story. Working together, U.S. and Canadian companies have integrated North America's auto industry and staged one of the most remarkable comebacks in all the history of the industrial revolution. We have drawn on each other's strengths, and today our companies work so closely that we do not speak any longer of U.S. or Canadian content in these vehicles, but of North American content, whether it is a Chrysler Minivan made in Windsor or a Chrysler Jeep made in Detroit. I think that was the ambassador from Michigan — I mean from the United States — clapping down there.

• (1550)

Productivity and employment have risen to such a point that when I visited Detroit last fall, the biggest complaint I heard from the auto workers in a state that was given up as being lost economically a decade ago was that they were working too much overtime. Where I come from that is known as a high-class problem. The auto industry now provides more than one million jobs in our countries.

To reinforce our commitment to NAFTA and to dramatically expand an important market tomorrow, our nations will sign an agreement to open the skies between our two nations. This agreement, which allows for a dramatic expansion of U.S. and Canadian service to each other's nations, will create thousands of new jobs and billions of dollars of economic activities in our cities, yours and mine.

We have reached a fair solution that will make life easier for travellers on both sides of the border, that will profit both Canadian and U.S. airline carriers, that will increase the mutual travel and interconnections of our people. That we have done so amicably provides yet another model of how neighbouring nations can settle their differences.

Friendship and engagement. Canada and the United States have shown the best there is in partnerships between nations: all the great potential that awaits all the free peoples of this earth if they can join in common cause. We are, as the monument at the St. Lawrence Seaway declares, two nations whose frontiers are the frontiers of friendship, whose ways are the ways of freedom, whose works are the works of peace.

Every day we see the enormous benefits this partnership gives to us in jobs, prosperity and the great creative energy that our interchanges bring. We have only seen the beginning. For the Susan Southwicks who want a chance to build better lives and the companies like Createc that are trying to build solid businesses that will last, this partnership holds a great promise with all the vast horizons of our great continent.

Together we have turned our energies toward improving the world around us for nearly a century. Today, more than ever, let us reaffirm and renew that great tradition. Let us engage and confront the great challenges of the end of this century and the beginning of the next. We must sustain our efforts. We must enhance our efforts. We must maintain our partnership. We must make it stronger.

This is our task and our mission. Together we will be equal to it. A border separates our peoples, but there are no boundaries to our common dreams.

Thank you and God bless you all.

**Some hon. members:** Hear, hear!

**Hon. Gildas Molgat (Speaker of the Senate):** Mr. President and Mrs. Clinton, monsieur le premier ministre et madame Chrétien, monsieur le Président de la Chambre des communes, Your Excellencies, membres distingués du Sénat et de la Chambre des communes, mesdames et messieurs.

• (1555)

Mr. President, it is my pleasant task to thank you, but no words that I could express could thank you better than the applause and the standing ovations which you received this afternoon.

We are all honoured, Mr. President and Mrs. Clinton, by your presence and we welcome the many American friends who have joined you in this voyage to Canada.

We appreciate your warm expressions of friendship and assure you that we hold you and your great nation in great esteem, our valued neighbours.

Many statesmen from across the world have addressed both Houses of Parliament in the past, but none have been more welcome than the American presidents and all have spoken eloquently, as you have today, of the close friendship between our two nations.

Mr. President, you referred earlier today at lunch time to the words of President Kennedy when he addressed our Parliament in May of 1961. I will repeat part of his comments which you mentioned: "Geography has made us neighbours. History has made us friends. Economics has made us partners and necessity has made us allies. Those whom nature has so joined together let no man put asunder. What unites us is far greater than what divides us."

[*Translation*]

Mr. President, the world has changed a great deal since 1961, but his remarks hold just as true today.

[*English*]

Mr. President, while history and nature have joined us together for many purposes, they have also made our two countries very different. It is therefore very important that we not take each other for granted.

It is important that our leaders and the members of their respective cabinets meet on a regular basis to coordinate policy and hopefully to iron out difficulties and disagreements before they arise.

Mr. President, we are happy to have you with us. We thank you for your inspiring words. We hope you will return.

**Some hon. members:** Hear, hear!

**Mr. Speaker Parent:** Mr. President and my colleagues. Mr. President, when you were in my chambers a little earlier I was explaining to you how we got the name to be Speaker. For about a year now, although I have been Speaker, they have not allowed me to speak in this, our own House of Commons.

Mr. President, your words and your presence in this Chamber underscore the profound friendship that our peoples have developed over many generations. Our relationship does stem from the fact that we are neighbours but its strength, Mr. President, derives from the fact that we share more than a common boundary. The 49th parallel is not so much a line that divides us as a place where two great nations come together.

Canada and the United States were built by immigrants, men and women who shared similar aspirations, a spirit of adventure and a sense of freedom, of equality, of democracy. When these immigrants came here they were met by our aboriginal people, whom we must never forget.

**Some hon. members:** Hear, hear!

• (1600)

**Mr. Speaker Parent:** Our common values are embodied in our institutions, and while Congress and Parliament may be similar, they are a study in contrast because they reflect our distinct traditions and national characters. However, Mr. President, they are built with the same mortar, democratic values and liberal values that form our common heritage.

Proximity also has its rewards. Like many Canadians I had the chance to attend American universities and many Americans have studied here in Canada. You may be interested in knowing, Mr. President, that five of our parliamentarians were born in the United States.

[*Translation*]

Our friendship is not based so much on our personal interests as on the values and ideas shared by our two countries. Throughout this century, we have worked together to promote these values. Our soldiers fought side by side and many of them died defending them.

Fifty years ago, we paid an enormous price in human lives to help bring peace to Europe. Together, Canadians and Americans helped create the United Nations and establish an international order dedicated to peace and democracy.

[*English*]

Our international co-operation has taken many forms. Together we have been liberators and we have been peacekeepers. We have liberalized world trade, promoted human rights and fostered the rule of law.

Mr. President, very gently I remind you that 15 years ago a Canadian diplomat sheltered and secured the freedom of American citizens in danger. On that occasion we were reminded that we can and we will count on each other when it really matters because our friendship is so sacred.

**Some hon. members:** Hear, hear!

**Mr. Speaker Parent:** The men and women before you in this Chamber, Mr. President, are the face of Canada and they are the expression of our democracy. Yes, Mr. President, you do us great honour by speaking to Canadians in this Chamber.

As Speaker of the House of Commons may I offer a renewed expression of our respect and warm affection for you, for Mrs. Clinton and for all of our American friends.

Thank you, Mr. President.

I now adjourn this meeting.

# THE SENATE

**Wednesday, March 1, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### BUDGET 1995

CUTS TO CANADA COUNCIL AND OTHER ARTS ORGANIZATIONS

**Hon. Jean-Louis Roux:** Honourable senators, last February 14, I made a statement in this chamber concerning the Canada Council in which I steadfastly objected to comments made by the chair of the council's board, Mrs. Donna Scott. She said, in an interview with *The Toronto Star*:

> We need to spend more of our money on the arts community and less on getting it to them.

My concern was that such an attitude would save only a few thousand dollars, while jeopardizing the professionalism of the Canada Council's agents and deteriorating the quality of their relationship with artistic organizations.

One week ago, I received a letter from Roch Carrier, Director of the Canada Council, giving me some interesting information.

[*Translation*]

> Let it be said in strict confidence that one of the goals of our strategic plan will be to transfer a few million dollars from the administration budget to the assistance to arts budget, where they belong, without compromizing the traditional values of the Council. Program administration costs are very high sometimes. When we have to spend 40 cents, 59 cents or $1.63 to give a dollar, you must admit that decisions have to be made. In addition, wage costs have grown stout when the economy was booming. Finally, duties have built up and become more complex, thus creating duplication, overlap, permanent discrepancies, isolating effects. We need to review our operations with a view to providing better services at a lower cost. That is what we are working on.

[*English*]

This shows, as I said on February 14, that "artists are responsible citizens." If those cuts can be made without damaging "the respect of the traditional values of the Council", as Mr. Carrier says, I can only rejoice with the entire artistic community of Canada.

[*Translation*]

Honourable senators, I might add that it broke my heart to see great cultural agencies such as the Canada Council and the National Film Board be subject to cuts. On the other hand, as I said, artists are responsible citizens. I gather there is no other way to pull the country out of the current economic slump. I just wish that cuts representing 3 per cent of the deficit imposed by Mr. Martin and the Liberal government on the Canada Council for each of the next three years, 4 per cent per year for the next three years imposed on the CBC and 5 per cent per year for the next three years imposed on the National Film Board will not alter the essence and mission of these agencies. I do hope that management will find imaginative ways of making the administrative structure lighter without endangering in the process the creative thinking of the producers and directors who work for these agencies.

[*English*]

### THE SENATE

PUBLIC STATEMENTS BY MINISTER OF TRANSPORT REGARDING MOTIVES OF CERTAIN SENATORS

**Hon. Noël A. Kinsella:** Honourable senators, the opportunity to serve the Parliament of Canada as a member of this chamber is a very distinct honour. From the moment I took the oath of office to do my duty and meet my responsibilities as a senator, whether sitting on the government side of this chamber or on that of the loyal opposition, I have learned a great deal from all honourable senators from every quarter of this house. I have been immensely impressed by the high integrity and the distinguished interventions which all senators bring in dealing with matters which come before this chamber.

Honourable senators, it was with the greatest of distress and sadness that I listened this morning to a minister of the present executive making a statement on national television. When asked about the Pearson airport matter, the Minister of Transport stated:

> We are not going down that road of trying to line our friends' pockets with money, which the Conservative majority in the Senate is trying to protect now.

Honourable senators, as the Whip of Her Majesty's Loyal Opposition in this chamber, the Progressive Conservative Party, I must confess that to hear a minister of the Crown imply that, in dealing with matters of a public nature, and in particular the examination of a bill before this house, distinguished and honourable members of this chamber would conduct themselves in a manner that would have the consequence of lining the pockets of their friends with money, is outrageous.

Honourable senators, my background is not one of high finance, nor is it one of party politics. I came to this chamber to do my duty. I swore an oath to that effect, and I shall abide by it. It has been my experience that each and every member of this chamber does so according to a sense of responsibility and high integrity as well. I should hope that honourable senators will want to disassociate themselves immediately from such intemperate language from a minister of the Crown.

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# ROUTINE PROCEEDINGS

## THE YOUNG OFFENDERS ACT CRIMINAL CODE

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-37, to amend the Young Offenders Act and the Criminal Code.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading later this day.

[*Translation*]

## INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

EXECUTIVE MEETING HELD IN PORTO NOVO, BENIN—REPORT TABLED

**Hon. Jean-Robert Gauthier:** Honourable senators, I have the honour to table in the Senate the report by the Canadian chapter of the International Assembly of French-Speaking Parliamentarians on the meeting of the association executive held January 19-20, 1995, in Porto Novo, Benin.

[*English*]

• (1340)

## ONTARIO COURT GENERAL DIVISION

NOTICE OF MOTION TO STRIKE SPECIAL COMMITTEE TO EXAMINE AND REPORT UPON THE CONDUCT AND BEHAVIOUR OF CERTAIN OFFICERS AND JUSTICES—NOTICE WITHDRAWN

**Hon. Anne C. Cools:** Honourable senators, I should like to withdraw the notice of motion currently standing in my name and replace it with another notice of motion.

**The Hon. the Speaker:** Is it agreed, honourable senators, that Senator Cools can withdraw her notice of motion?

**Hon. Senators:** Agreed.

Notice of motion withdrawn.

NOTICE OF MOTION TO STRIKE SPECIAL COMMITTEE TO EXAMINE AND REPORT UPON THE CONDUCT AND BEHAVIOUR OF CERTAIN OFFICERS AND JUSTICES

**Hon. Anne C. Cools:** Honourable senators, pursuant to rules 57(1) and 58(1), I give notice that on March 3, 1995, I shall move:

That a Special Committee of the Senate be constituted to examine and report upon the conduct and behaviour of certain justices and barristers of the Ontario Court of Justice (General Division), raised by the Honourable Senator Cools in her speeches on Parliamentary Privilege in the Senate in terms of:

(i) failing to take judicial notice of the Law of Parliamentary Privilege, the Constitution of Canada, and the laws of Canada pertaining to the Senate;

(ii) failing to uphold and enforce the said laws, and the immunities and privileges of the Senate;

(iii) interfering with and frustrating the enjoyment and exercise of the said laws, immunities, and privileges;

(iv) inducing failure to observe and comply with the said laws, immunities and privileges;

(v) impeaching proceedings in Parliament;

(vi) threatening sanctions on the vindication of the said laws, immunities, and privileges;

(vii) their conduct and behaviour generally relating to the Law of Parliamentary Privilege, the Constitution of Canada, the independence of the judiciary, constitutional comity, the dignity of the Senate, and the due administration of justice.

That the committee be further empowered to consider and report upon related matters which may concern the privileges of the Senate; and

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee; and

That the committee be composed of seven members, four of whom shall constitute a quorum; and

That the Committee of Selection be instructed to decide and report upon the membership of the Special Committee.

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—NOTICE OF MOTION TO STRIKE SPECIAL COMMITTEE TO INQUIRE INTO PRIVATIZATION CONTRACTS

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I too rise to give notice of a motion. This is something which I do with very little enthusiasm, but it follows upon a number of statements made today by ministers of the Crown, culminating in the one quoted by Senator Kinsella a moment ago.

On Tuesday, March 21, 1995, I will move:

That a special committee of the Senate be appointed to examine and report upon all matters concerning the policies and negotiations leading up to, and including, the agreements respecting the redevelopment and operation of Terminals 1 and 2 of Lester B. Pearson International Airport and the circumstances relating to the cancellation thereof;

That seven senators, designated by the Standing Senate Committee of Selection no later than two weeks after adoption of this motion, act as members of the special committee, and that three members constitute a quorum;

That the committee have power to send for persons, papers and records, to examine witnesses under oath, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have the power to sit during adjournments of the Senate;

That the committee have power to retain the services of professional, clerical, stenographic and such other staff as deemed advisable by the committee;

That the committee have power to authorize television and radio broadcasting, as it deems appropriate, of any or all of its proceedings; and

That the committee present its final report to the Senate no later than one year following the striking of the committee.

## AGRICULTURE

REINSTATEMENT OF CROW RATE SUBSIDY—PRESENTATION OF PETITION

**Hon. Leonard J. Gustafson:** Honourable senators, I have two petitions to present today:

To: House of Commons/Senate in Parliament assembled,

We, the undersigned citizens of Canada wish to draw the attention of the House of Commons/Senate of Canada that the present Crow Benefit, legislated via the Western Grain Transportation Act (WGTA) is being proposed for extinction.

Therefore your petitioners voice their support for the $720 million WGTA and request that Parliament continue the present "Crow Benefit" payment to the railroads.

Your petitioners further request that legislative powers be enacted that will require the railroads to have joint running rights on all lines, and that penalties and efficiencies be policed through a system of rewards and penalties to ensure efficient service. Rail transportation should be classified as an instrument of national unity.

CANADIAN WHEAT BOARD—CONTINUATION OF MARKETING MONOPOLY—PRESENTATION OF PETITION

**Hon. Leonard J. Gustafson:** I have a further petition, honourable senators:

We, the undersigned citizens of Canada, draw the attention to the House to the following:

THAT a very vocal minority of citizens are requesting Parliament institute a dual marketing system for wheat and barley to export.

THEREFORE, your petitioners request that Parliament continue to give the Canadian Wheat Board monopoly powers in marketing wheat and barley to export. Your petitioners also request that Parliament expand further Canadian Wheat Board marketing monopoly powers to all grains and oilseeds.

These petitioners are mainly from the eastern part of Saskatchewan.

[*Later*]

## EUTHANASIA AND ASSISTED SUICIDE

COMMITTEE AUTHORISED TO EXTEND DATE OF FINAL REPORT

Leave having been given to revert to Notices of Motions:

**Hon. Joan Neiman:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

That notwithstanding the order of the Senate adopted on Tuesday, November 29, 1994, the Special Senate Committee on Euthanasia and Assisted Suicide, which was authorized to examine the legal, social and ethical issues relating to euthanasia and assisted suicide, be empowered to present its final report no later than May 10, 1995; and

That the committee retain all powers necessary to publicize the findings of the committee contained in the final report until May 24, 1995.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

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### THE HONOURABLE JEAN-MAURICE SIMARD

BEST WISHES ON RECOVERY

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, before we begin Question Period, may I be permitted to welcome Senator Simard back to the Senate. Senator Simard has undergone an ordeal that has been crowned with success. Believe it or not, we are good friends. I have missed you, Senator Simard, and I am glad you are back — for today, anyway!

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## QUESTION PERIOD

### THE SENATE

PUBLIC STATEMENTS BY MINISTER OF TRANSPORT REGARDING MOTIVES OF CERTAIN SENATORS

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, earlier, we heard Senator Kinsella quote a statement made by the Minister of Transport which was originally broadcast early this morning and rebroadcast in its entirety around noon, so one can only assume that the minister is sticking to his statement.

In an answer regarding his opinion of what was going on at Pearson, he said, in part:

> If I was going to do anything like what was done at Pearson, I would shoot myself before doing that. I think it was one of the most dastardly deals ever put together in the history of the country, but that's another story. We are not going down that road of trying to line our friends' pockets with money, which the Conservative majority in the Senate is trying to protect now.

We may have disagreements on the Pearson agreements, but I hope that the Leader of the Government in the Senate can tell us whether she agrees with a statement by her cabinet colleague that her colleagues' on this side sole interest in their approach to Bill C-22 is motivated by its attempt to line our friends' pockets with money.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank my honourable friend for his question, and I also thank Senator Kinsella for his observations during Senators' Statements.

As the Leader of the Government in the Senate and as an individual senator in this place for close to 11 years, I do not impute motives to any colleague in this house, no matter where they sit.

• (1350)

There is no question that the Pearson airport is a controversial issue for both Houses of Parliament and for both sides of this chamber. The Senate has taken its responsibility as per its legislative mandate under the Constitution. It has done, and is continuing to do, its job.

As a government, we have responded to the work that the Senate has done by providing amendments to our legislation, as a result of the very credible and fine testimony heard on both sides of the issue before the Standing Senate Committee on Legal and Constitutional Affairs. There have been further hearings on those amendments and further suggestions arising from those hearings, and the government is currently in the position of studying those suggestions with a view to a further response.

As the Leader of the Government in this place, it is my responsibility to fulfil the commitment of the government to reach a legislative resolution of this issue. That is my motivation and responsibility. I will continue to work in association with all members of this house to resolve the problems and, hopefully, bring this matter to a conclusion.

**Senator Lynch-Staunton:** Honourable senators, perhaps I should restate the question.

Will the minister ask her colleague for an apology? If one is refused, will she agree to second a motion of this chamber asking for one, since what the minister said this morning is highly contemptuous of every member in this chamber?

**Senator Fairbairn:** In reply to my honourable friend, I should like to repeat what I said at the beginning of my response and perhaps add to it.

In no way do I impute motives to any senator in this chamber — to any senator at all. I agree with Senator Kinsella that people who have been appointed to this chamber, men and women from across the country, have accepted the responsibilities of their office seriously and with a sense of honour. It is a privilege to serve in this place.

We are conducting our role as senators. There is no question that this legislation has been before Parliament for almost a year. I think it was in the House of Commons in early April; in June, it was introduced in this place. There is no doubt that the delay has caused difficulty for the government in terms of the administration of public policy towards the airport. The role of this Senate is to do its job as it conceives it in response to legislation.

The delay in the legislation has obviously caused frustration and pressure on individuals. My colleague the Minister of Transport is vigilant in his responsibilities, and he is outspoken. His goal is for a legislated solution to this problem, and I share that goal.

Again, as Leader of the Government in this place, I share with my colleagues respect and admiration for every senator in this house.

**Senator Lynch-Staunton:** I will try once again, honourable senators.

The way in which the Leader of the Government in the Senate is pleading, we should be apologizing to the minister for having delayed legislation. By his remarks, in fact, the minister has spread contempt about every member of this house. We should like to know, is the minister speaking for the government, or just for himself? Does he have the support of the Leader of the Government in the Senate for that statement? If not, is the Leader of the Government in the Senate willing to repudiate him in this place? If she does not, and defends the fact that he is frustrated because we are not kowtowing to his wishes, then we can only feel that she supports such scurrilous and defamatory language.

**Senator Fairbairn:** I say to my honourable friend that I will clarify and repeat that I believe this Senate has done its job on Bill C-22. That is the crux of the issue that has prompted this exchange today. Whether I agree with the pace or agree with some of the views of my friends opposite is not the point.

Honourable senators, I absolutely agree with the fact that the Senate has the right to do its job. It has been doing its job; it will continue to do its job. I hope that, in the context of this upper chamber and of working together, we will conclude this operation.

In answer directly to my friend, I have not spoken to my colleague. I will certainly speak to him and draw to his attention the exchange in this house.

Again, it is the commitment of the government to seek a legislative solution to this very controversial issue; one which has spanned the beginning of an election and the period following that election. It touches us all. I am here to assist in a solution to that issue.

I also repeat that, as a senator and as the leader of this side of the house, I impute motives to no one in this place, and share with my colleagues respect for every senator from every part of Canada who sits in this house.

**Senator Lynch-Staunton:** May I try one last time honourable senators? I have yet to get an answer. The question is simple, and the answer should be equally simple.

A cabinet colleague of the Leader of the Government in the Senate has said that the only reason we have acted as we have, and continue to do so on Bill C-22, is not our interest in the legislation as such, but that we are, to quote him:

...trying to line our friends' pockets with money.

That is what the Minister of Transport has said.

My question to the Leader of the Government in the Senate is this: Does she agree with the minister, yes or no, that our whole approach since last April on Bill C-22 has been solely motivated by an attempt to line our friends' pockets with money? Is this the government view? Is this a loose cannon's view? Whose view is it, other than the minister's? So far, the Leader of the Government in the Senate has not told us, either yes or no, that she shares that particular view that we are here to line our friends' pockets with money.

**Senator Fairbairn:** Honourable senators, in response to my honourable friend, and to all honourable friends, my view is that senators on the opposition side, as senators on this side, are here to do a job for the people of Canada.

I understand clearly that my colleagues on the other side of the house have viewed this issue as one of legal and constitutional discussion. That is why the matter has been before the Standing Senate Committee on Legal and Constitutional Affairs since last September. That committee has heard witnesses — government witnesses, ministerial witnesses, and other official witnesses. We have also heard from eminent legal scholars and practitioners on both sides of the issue, sometimes in opposition and sometimes agreeing, as they did in the last round of hearings before the Standing Senate Committee on Legal and Constitutional Affairs. That is how I view the role of the opposition on this issue.

As stated clearly by my friend opposite again and again, the purpose of the opposition in this chamber, and in the committee, has been to ensure that the legislation conforms legally and constitutionally to the law of this land. That is what I believe the opposition has been doing. That is why we are holding hearings. Undoubtedly, that is why we will hold further hearings.

• (1400)

The ultimate goal is to reach, together in this chamber, a conclusion that will resolve this piece of legislation in the manner in which all senators have conducted themselves assiduously for the last many months. That is how I read the motivation of my friends opposite.

## THE BUDGET 1995

### ELIMINATION OF CROW RATE SUBSIDY—EFFECT ON GRAIN SHIPPING PORTS—GOVERNMENT POSITION

**Hon. David Tkachuk:** Honourable senators, my question is to the Leader of the Government in the Senate. It concerns the elimination of the subsidy under the Western Grain Transportation Act, known by many as the Crow Rate, which will have an immediate impact on Saskatchewan and the prairie provinces.

Has the Department of Transport undertaken any studies on the effect that the elimination of this subsidy will have on the St. Lawrence Seaway and the Ports of Thunder Bay and Vancouver?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, with respect to Senator Tkachuk's question, I will ask both my colleagues the Minister of Transport and the Minister of Agriculture for a response on that issue, which is of monumental importance in our region of the country.

ELIMINATION OF CROW RATE SUBSIDY—END OF GRAIN MARKETING MONOPOLY OF CANADIAN WHEAT BOARD—GOVERNMENT POSITION

**Hon. David Tkachuk:** Honourable senators, there has been an ongoing debate about whether the farmers or the railroads should get the money under this form of subsidy. When the government eliminated the subsidy under the Western Grain Transportation Act, it was to allow farmers more freedom in choosing their own means of transportation. Nevertheless, that subsidy is now completely gone, and there is no control through the power of a subsidy to make farmers sell their grain through the Canadian Wheat Board.

There has been talk on the prairies that this will lead to what many have called a "black market" in grain. Since farmers will no longer be subsidized, they might want to ship their grain at the cheapest possible transportation costs. This means that they may want to sell their grain to the farmer across the road for barter or cash. Some may be tempted to sell grain that would normally be sold to the Canadian Wheat Board to American interests for movement down the Mississippi and export out of the country.

Has the government given any thought to how it will deal with farmers who will attempt to do this in the next couple of years as the shortfall created by this eliminated subsidy falls on their shoulders?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, it is important to note that while it was announced in the budget that western grain transportation subsidies will end, it was also announced that an up-front, capital sum of $1.6 billion will be shared among farmland owners. Given the fact that this money will not be subject to taxation, it has been suggested to me that it is worth the equivalent of about $2.2 billion. In addition, another transition fund of $300 million will be spread over several years in order to help farmers adapt and adjust to the new conditions.

My honourable friend asks me if there might be a compulsion on the part of the farmers to use an "underground railway" or black market route to sell their grain. I suggest that the compulsion among farmers will be to utilize, to the greatest extent possible, what is available to them through the Canadian Wheat Board, and to take maximum advantage of the export marketing opportunities for Canadian grain, which remain strong. Indeed, after tough negotiations with the Americans last year, we have a strong and high market for sales in that country, which, of course, is our biggest market. I suggest that that will be the motivation of farmers.

I would also suggest that those of us who live in areas where grain is a prime industry might encourage our farmers to take advantage of the opportunity that has come about as a result of this change, which is also an opportunity to diversify across the west. I hope that all our farmers would be encouraged to take the maximum opportunity to do that, as well as to take advantage of the benefits inherent in the Canadian Wheat Board.

We all know that for a great many years — and even prior to that, in the lead-up to the trade negotiations of the original agreement many years ago — there was a passionate desire on the part of the United States to get rid of the Canadian Wheat Board. I suggest that we in this chamber, in particular those of us who hail from Western Canada and who represent Canadians on the farmlands of the prairies, should take a hard look at the Canadian Wheat Board, and in particular its value to Canada in marketing our wheat and grain.

If there is a passionate reason across the border to wish the Canadian Wheat Board gone, then there should be an equally passionate reason on our side of the border to strengthen and improve it, as the Minister of Agriculture has said, and to use it to the utmost to attract the grain sales that will keep our Canadian prairies strong.

## TRANSPORT

IMPORTANCE OF PASSAGE OF BILL C-22 TO DEVELOPMENT OF PEARSON INTERNATIONAL AIRPORT—GOVERNMENT POSITION

**Hon. Finlay MacDonald:** Honourable senators, did I understand the Leader of the Government in the Senate to imply, in response to a question by the Leader of the Opposition, that our apparent failure to find a legislative solution to Bill C-22 is in some way holding up the development of Pearson International Airport under a new authority?

**Hon. Joyce Fairbairn (Leader of the Government in the Senate):** Honourable senators, I believe Senator MacDonald and I have exchanged questions on this matter before. In terms of official appointments to the authority, until that law is passed, I believe there is an impediment to the full and formal ability of that board to get on with its job.

• (1410)

## THE SENATE

PUBLIC STATEMENTS BY MINISTER OF TRANSPORT REGARDING MOTIVES OF CERTAIN SENATORS

**Hon. Gerry St. Germain:** Honourable senators, my question is for the Leader of the Government in the Senate. I have stood in this place and stated categorically that I would support cancelling the Pearson Airport Agreement if it were not constitutionally and legally correct. I asked for a judicial inquiry and a public inquiry. Will the Leader of the Government please tell me, now, if she believes that I am trying to line the pockets of my friends' with money — yes or no?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I believe Senator St. Germain is trying to do exactly as he has just stated, to ensure that that piece of legislation passes through this chamber in the appropriate legal and constitutional manner, as does every piece of legislation.

## THE BUDGET 1995

ELIMINATION OF CROW RATE SUBSIDY—MAINTENACE OF GRAIN ECONOMY IN MANITOBA—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, I would like to ask a follow-up question on subsidies under the Western Grain Transportation Act. One of the bad raps given to this subsidy, at least by its critics, is that it has prevented Western Canadian farmers from developing value-added products. It is a well-known fact that durum wheat produced in Canada is the best in the world. One sees packages from the United States saying, "Number 1 Durum Wheat, Made in Canada."

The cancellation of the western grain transportation subsidy will hit Manitoba especially hard. It will cost farmers who wish to transport their wheat through the Great Lakes and St. Lawrence Seaway anywhere from $20 to $30 per tonne more.

Given the government's cancellation of this western grain transportation subsidy, have there been any studies or any moves on the part of the government to help maintain the grain economy? Heaven forbid we should have to change to a beef economy or to some other kind of grain. Has the government made any attempt to assist Manitobans and those in Western Canada to produce value-added products by establishing their own factories or mills? There has been some talk, but can the Leader of the Government tell us exactly what the government is doing in its role as the protector of the public interest of all Canadians, including those in Western Canada?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will have to get some help to answer the detail of the question. There are many reasons behind the change of this historic transportation act. One reason is to eliminate the freight rate discrimination against value-added production and processing, diversification and economic growth in the very area of which Senator Spivak speaks.

As to the detail, I will have to ask my colleagues. Certainly, as I mentioned earlier, there is an initial one-time-only payback which I think is familiar to most of the people in Western Canada. There is also a transition fund, and new credit arrangements have been put in place to facilitate agri-food development. These all are part of this package.

Senator Spivak will know that, not just this government, but almost every government has wrestled with this issue. The issue has come to a head, not just because of the fiscal times we are in, but also because of the GATT hearings last December and the forming of the World Trade Organization. The government decided that it was time for action.

I will ask my colleagues, particularly the Minister of Agriculture, for a more detailed response for my honourable friend.

ELIMINATION OF CROW RATE SUBSIDY—POSSIBILITY OF ASSISTANCE FROM WESTERN ECONOMIC DIVERSIFICATION—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, perhaps I should add that I do know about the one-time compensation payments announced in the budget. I also know that the Western Economic Diversification portfolio, which falls under the responsibility of the Honourable Lloyd Axworthy, has been reduced. Has that portfolio provoked any thought in this area of diversification and assistance? Money is not the only issue. We need know-how and assistance. Could you please speak to your colleague Minister Axworthy on that question as well?

## THE SENATE

PUBLIC STATEMENTS BY MINISTER OF TRANSPORT REGARDING MOTIVES OF CERTAIN SENATORS

**Hon. Gerry St. Germain:** Honourable senators, I have a supplementary to my original question. I appreciate the response which has been given by the Leader of the Government in the Senate. However, she did not respond to my question.

The integrity of each one of us has been put on the line by the comments of the minister. I am asking directly whether the leader feels that I am going down the road, trying to line the pockets of my friends with money? I want a yes or no answer if at all possible, honourable senators.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I have answered Senator St. Germain's question. I will repeat my answer and I will repeat it to him personally. I have every confidence and respect in his integrity as a member of this Senate, in the work he does in this Senate and in his work as a member of the opposition in this chamber to ensure that this issue is brought to a conclusion based on legal and constitutional propriety. That is my direct answer to the honourable senator.

## THE BUDGET 1995

CLOSURE OF AGRICULTURAL RESEARCH STATIONS—GOVERNMENT POSITION

**Hon. Leonard J. Gustafson:** Honourable senators, I have a question for the Leader of the Government in the Senate with regard to the budget as well. The report "New Realities and Tough Choices" which was presented by the standing committees of both Houses suggested one thing in particular — that research and development in agriculture should continue and that it was very important. All witnesses who have appeared before the two committees have brought that message. Yet we are closing seven research stations, according to the budget that I read. Could the Honourable Leader of the Government in the Senate give some consideration to this matter and give us a reason why?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my friend Senator Gustafson would know that the Minister of Agriculture has always stressed the importance of excellence in agricultural research. Such excellence is attributed to Canada worldwide.

My honourable friend will know that we are operating in a time of fiscal restraint. The underlying effort of the government in this budget has been to confirm our commitment to getting the deficit down to 3 per cent of GDP in three years. That commitment will be met. In order to meet it, sadly and unfortunately, restrictions have been imposed in virtually all areas of government.

In terms of research, my honourable friend will have seen the list of the establishments in this country which operate under the aegis of the Minister of Agriculture. I do not have the paper in front of me at the moment, but my friend will know which ones are staying open and which ones are to be closed.

• (1420)

The Minister of Agriculture is attempting to maximize the research opportunity by creating, in these stations, research centres of excellence in agriculture across this country. Details of that plan are probably also contained in the document my friend holds. Those stations are protected in order to do the job which those institutions have done so well for Canada and, through Canada, for the world for so many years.

REFORM OF OLD AGE SECURITY—
EFFECT ON ELDERLY WOMEN OF APPLICATION
OF CLAWBACK TO HOUSEHOLD INCOME

**Hon. Marjory LeBreton:** Honourable senators, I have a question for the Government Leader in the Senate. Yesterday, in the other place, the Prime Minister did not seem to know the contents of the budget of his own Finance Minister, denying measures which are clearly printed on page 58 of the budget plan.

In its budget the government announced a major review of Old Age Security. One of the five principles given for OAS reform in the budget is "the provision of OAS benefits on the basis of family income, as is currently the case with the Guaranteed Income Supplement"; another principle is "control of program costs." This, of course, suggests that the government is looking to achieve savings in this area.

The current clawback is based on individual income. As the minister is surely aware, elderly women rarely have anywhere near the incomes of their husbands.

Would the minister confirm that changing the basis of clawbacks from individual income to family income would have the effect of denying benefits to women based on the incomes of their husbands? Would she also confirm that far more women than men would be affected by a move to base the clawback on family income?

**Hon. Joyce Fairbairn (Leader of the Government):** No, I will not, and cannot, confirm the statements which my friend has made. As she will know, guiding principles have been set out in the budget for some very serious discussions which will take place when the paper on aging and pensions is released in the fall. Those discussions will take place in the context of those principles, two of which have been enunciated by my friend. They will include, in a very active way, seniors and representatives of seniors in this country.

I think everyone, including seniors, knows that our pension system, which is the best in the world, is under considerable stress for demographic reasons. We must ensure that we continue to have a pension system which will offer security and sustainability for our senior citizens into the future. Very serious negotiations will take place, and the seniors of this country will have every opportunity to help mould that plan for the future under the guiding principles that were set forward in the budget.

Senator Lebreton mentioned the clawback. My friend Senator Murray raised a question with me yesterday expressing a concern that when a person retires and his or her income falls substantially, he or she would be deprived of an OAS pension if the salary of the previous year were used as the guideline. I inquired about that, and I was advised by the Department of Finance that an allowance will be made for this and other events that may cause major changes in a person's income. Individuals will be allowed to file statements of anticipated income for the year. I understand that such a procedure is already in place in relation to the Guaranteed Income Supplement.

**Hon. Lowell Murray:** Honourable senators, after the honourable leader's reply to Senator Lebreton's question, I was a bit unclear as to whether the principle of changing the clawback to having it based on family income is, as she said, a guiding principle or whether it is a firm principle representing a change in policy. Will she tell us which it is?

**Senator Fairbairn:** Honourable senators, the principles surrounding the debate that will take place to change and adjust pension policy in this country were laid out in the budget on Monday night. To my knowledge, that is the umbrella under which those discussions will take place.

**The Hon. the Speaker:** Honourable senators, I regret to inform the Senate that the time allotted for Question Period has expired.

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# ORDERS OF THE DAY

## INCOME TAX ACT

BILL TO AMEND—SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Bryden, seconded by the Honourable Senator Grimard, for the second reading of Bill C-59, to amend the Income Tax Act and the Income Tax Application Rules.

**Hon. Donald H. Oliver:** Honourable senators, I rise today to lead off the second reading debate for the opposition in the Senate on Bill C-59. Bill C-59 is an income tax bill. It changes income tax in relation to more than 12 matters. I want to thank the Honourable Senator Bryden for explaining in great detail the main changes which this bill makes.

This afternoon I wish to address three specific issues in connection with Bill C-59. The first deals with the process by which we in the Senate are debating a tax bill emanating from last year's budget just a few days after the 1995 budget has been delivered.

I will then comment on a number of the changes proposed in the bill, and close with particular comment on the abolition of the $100,000 lifetime capital gains exemption.

Honourable senators, it makes little or no sense that we are here on March 1, 1995, debating the pros and cons of a tax bill based on the February budget of 1994. What position are we in, in relation to this bill? What if we found a grave error? What if we, in our debate here in the Banking, Trade and Commerce Committee, found that the policy behind the bill was ill-founded? What amendments could we then put?

• (1430)

Legally, of course, we could amend whatever we like, but being realistic, we are dealing here with a bill which has been acted upon for more than a year. Taxes have been collected. Tax forms have been made up for people to fill in for the 1994 calendar year based on the changes in this bill. The revenues which will come from this bill, which is not yet law, were taken into consideration by the Minister of Finance in his 1995 budget of Monday night.

Such delays in dealing with the preparation and processing of tax legislation makes a mockery of the parliamentary system. The Senate is not the only institution affected by these delays. The bill was not debated at second reading in the other place until December 1, 1994.

The bureaucracy which drafts these bills, either in the Department of Justice or Department of Finance — I am not sure — must be forced to show at least a little respect for our parliamentary form of government and its traditions. The Minister of Finance, who is responsible for the introduction of these bills in the House of Commons, should insist that these bills, based upon the changes in the budget, be available for tabling within a reasonable time — say 30 days — after the budget is delivered.

By delaying these bills, confusion can be created in the business community and among other taxpayers as to the exact wording of the tax bill. If the tax bill was required to be tabled immediately after the budget or at least within a few days of budget day, its exact wording would be known. People could adjust their financial affairs on the basis of legislation, not simply on the basis of the finance minister's budget speech.

As most of you know, I have been involved in the issue of Senate renewal for much of the past year. One of the proposals of the renewal process is a closer linkage with the House of Commons. This would enable honourable senators to better determine the time lines on legislation destined for the Senate. This relationship with the House was to take the form of a house leaders' joint committee. If such a committee were formed, perhaps it could address this intolerable situation — a situation where we, as legislators, are to give scrutiny to a bill which implements part of a budget that is more than a year old. Not only that, the bureaucracy has been enforcing it for the past year.

Honourable senators, tax bills should be tabled within 30 days of the budget and be in the Senate for action at least by the middle of May if we are dealing with a February budget. If these time lines were adopted, we could at least deal with a bill in a constructive manner rather than as a fait accompli.

Moving to the specifics of the bill, honourable senators, this bill, like other taxation measures, is long and convoluted. In my law practice I am a litigator, not a tax expert. I, like most Canadians, have enough difficulty trying to figure out my own income tax form. The length of tax bills and the arcane wording must be addressed soon. We, as legislators, have really created a monster in the Income Tax Act. It is unfair to Canadians to create an act which is so obtuse as to be incomprehensible, yet costs each Canadian a great deal of his or her income every year.

Bill C-59 has both good and bad aspects. On the good side, as Senator Bryden carefully explained yesterday, it extends indefinitely the Home Buyer's Plan. This, of course, was a plan introduced by the previous Progressive Conservative government. It increases the amount of a charitable donation, which is subject to a larger tax deduction of 29 per cent.

On the minus side, I am not sure I agree with the elimination of the special investment tax credit, a reduction in the Atlantic investment tax credit, and a reduction in the Atlantic scientific research and experimental investment tax credit. We know from the budget documents how much money the government hopes to gain by either reducing or eliminating these items, but we do not know the impact this will have on the regions, especially Atlantic Canada. We simply do not have the figures.

The Atlantic investment tax credit is reduced from 10 per cent to 15 per cent. This is a credit available for certain capital investments in Atlantic Canada. The Atlantic scientific research and experimental investment tax credit is reduced from 30 to 20 per cent.

Honourable senators, when I spoke in the budget debate last year, I complained that the government was doing nothing to help promote the entrepreneurial spirit in Eastern Canada. I set forth an argument that government should act as a catalyst for industry, opening doors for industry, offering encouragement, but leaving it for industry to walk through these open doors. What did I mean by a "catalyst"? Well, I mean programs such as these tax credits which encourage business to expand or invest. This ability to reduce taxes through capital investment or investments in research are good examples of the government getting out of the way. Atlantic Canada needs this kind of tax relief. It is unfortunate that the government chose these two programs to help gather more revenue.

Honourable senators, my main criticism of this bill is the fact that through it, the lifetime $100,000 capital gains exemption is abolished. Under this bill, those who wish to benefit from the exemption for assets held on budget day must declare their accrued gains on their 1994 tax returns. When the previous government reduced the capital gains exemption from $500,000 to $100,000, it was thought that $100,000 was in the range which would be helpful to middle-class Canadians. It would benefit

those who had saved and, say, bought a rental property. It would help those who had a modest portfolio of investments put away for retirement. Honourable senators, this elimination may result in the government collecting more revenue, but it will hurt ordinary Canadians. It will hurt the small investor and the small business owner.

However, not only does it hurt these people, but its application as a practical matter has widely varying results when applied to different taxpayer groups. The finance committee in the other place spent a day trying to understand the various applications of Bill C-59. I gather from reading that evidence — and again, I am only a trial lawyer, not a tax lawyer — that the tax consequences vary remarkably as one goes through the various tax-paying groups. In the evidence supplied to the finance committee, it seems that the category including single, middle-aged persons with only employment income benefitted the most. Those struggling at the bottom of the income scale received the least amount of relief from claiming the exemption.

The committee in the other place was told by finance officials that this uneven treatment was a product of our taxation system. Our system does treat different groups in different ways. However, I believe we always felt that the low income earner was not punished by the Income Tax Act.

Honourable senators, I look forward to the discussions in committee on this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Bryden, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

## THE YOUNG OFFENDERS ACT CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Richard J. Stanbury** moved second reading of Bill C-37, to amend the Young Offenders Act and the Criminal Code.

He said: Honourable senators, it is my pleasure to rise today to open the debate on the second reading of Bill C-37.

• (1440)

Since well before the turn of the century, our society has known that crimes committed by young persons should be dealt with in a way different from those committed by adults. By 1908, the Canadian government had accepted the responsibility of legislating the Juvenile Delinquents Act to codify the common law rules and to set up a special court and corrections system for young offenders.

I well remember that when my father was appointed a County Court Judge in Lincoln County, Ontario in 1936, at a salary of $5,000 a year, he was paid an additional stipend of $1,000 a year for his duties as a Juvenile Court Judge.

My father took a keen interest in his work with youth, perhaps naturally, since he himself had five sons and three daughters. He founded a chapter of Big Brothers and involved himself personally in overseeing the reclamation of many youngsters to a productive life. However, that system gave judges and the police tremendous discretion. Unfortunately, all juvenile court officials were not so generously motivated.

After years of study, Parliament finally moved in 1981 to regulate that discretion and to provide more certain guidance for and limitation on the official's discretion. With the support of all parties, Parliament passed the Young Offenders Act.

That act was based on well-defined principles, including young offenders being responsible for their acts, the protection of society, the protection of the rights of children, and the responsibility of parents. The principles were excellent, but since the Young Offenders Act came into force in 1984, and experience has been gained with its practical operation, there has been much public criticism. Parliament tried in 1986, and again in 1992, to make amendments to meet these public concerns. However, the criticism continues to this time.

The problem seems to be to find the acceptable balance between protecting the rights of young people who violate the law and protecting the public from those who commit such illegal acts. That problem has been exacerbated by the radical changes taking place in our society. We are surrounded by violence in television and movies, in games and sports, in news coverage of civil and regional wars throughout the world, and even, sadly, in the happenings in our own neighbourhoods. Our children are necessarily affected by that atmosphere. It is bound to affect their behaviour, their attitude toward adults and our perception of their world.

When I was a boy, some childish tricks, such as dumping over someone's privy on Hallowe'en or harassing a vulnerable teacher, were accepted as such, but we did not carry knives or guns. The quality, extent and effect of childish tricks has changed. The earlier, casual treatment of them has encouraged their extension into vandalism and mayhem.

Society has run ahead of the legislators in understanding these changes. Legislators must try to catch up by modernizing the law, the courts and the correctional system. The question is how best to accomplish this crucial task. Bill C-37 is, at best, a partial solution. These amendments are the first phase of a process that will continue, in a second phase, with a broad and thorough examination of the entire Young Offenders Act, to be carried out by the House of Commons Standing Committee on Justice and Legal Affairs.

Bill C-37 amends key aspects of the act, following through on commitments made to the Canadian electorate in the last election. The general approach of these amendments is to seek a balance, to protect the public against violent crime and to assist in the rehabilitation of young offenders. In order to do this, the bill distinguishes first between violent and nonviolent crime, and then between older and younger young offenders.

For those young people guilty of nonviolent crimes, the bill would focus on their assuming concrete responsibility for their acts. The bill directs the youth court, in deciding on a sentence, to take into account that the young person should be held accountable to the victim and to society. This can include payment of compensation, making restitution, compensating by way of personal services and performing community service, to name only a few.

The bill would provide explicitly that imprisonment is to be imposed only after consideration of all reasonably available alternatives. If imprisonment is to be ordered for nonviolent crimes, the youth court must give reasons for the sentence in its decision. In this way, the bill seeks to ensure rehabilitation and integration, which are the primary objectives for young people who commit minor offenses.

As honourable senators know, this was the original concept behind the Young Offenders Act when it was first enacted over 10 years ago. Unfortunately, the reality has been quite different. Over 30 per cent of those young offenders found guilty in youth court receive a sentence involving custody, and over 80 per cent of those in custody are there for nonviolent crimes. The Department of Justice estimates that it costs between $70,000 and $100,000 per year to keep a young person in custody. More important than the cost is the fact that custody is not the best way to rehabilitate and reintegrate young offenders into society. Studies establish that the outcomes for those held in custody are not as good as for those who are not.

The need is for strong community-based sentences. Bill C-37 lays the ground work for the shift to these sentences from custody sentences. The next step is to work closely with the provinces to develop effective, community-based alternatives.

This bill takes a very different approach with respect to those individuals, especially older offenders, who commit violent crimes. First, the bill would increase the maximum penalties for murder. It has become clear that the current maximum penalty of five years for first degree murder is wholly inadequate. Murder is unquestionably the single most serious crime we know. The sanction, even when the perpetrator is a young person, must demonstrate the condemnation by Canadians of this unspeakable act.

Bill C-37 would increase the maximum penalties in youth court to 10 years for first degree murder and seven years for second degree murder. Second, 16- and 17-year olds who are charged with the most serious crimes of violence, that is, first and second degree murder, attempted murder, manslaughter and aggravated sexual assault, would be tried in adult court unless they can satisfy the youth court that their trials should be held in youth court. The youth court judge would have to be persuaded that the interest of society, which includes the objectives of protecting the public and the rehabilitation of the young offender, can be reconciled with the offender being tried in youth court.

These criteria are the same as those which exist under the current law. The bill would simply reverse the onus for 16- and 17-year olds charged with these most serious of offenses. Further, there would not be an automatic transfer of all 16- and 17-year olds to adult court. Rather, the bill reflects this government's conviction that those alleged offenders at the highest ages of the range covered by the act who are charged with the most serious crimes of personal violence should bear the burden of persuading the youth court judge that they should be tried and sentenced in youth court.

The law will remain unchanged for young persons between the ages of 14 and 16. They will be tried in youth court, unless the judge is satisfied that the criteria require transfer to adult court. Those young offenders tried in adult court would face the same penalties that the law provides in adult court.

• (1450)

For 16- and 17-year-olds convicted in adult court of murder and sentenced to life imprisonment, the bill would amend the Criminal Code to increase the amount of the sentence which must be served before becoming eligible for parole to between seven and ten years. For young people under 16 convicted of murder in adult court, this period is increased to between five and seven years.

The bill would also include provisions to ensure that rehabilitation and treatment are more widely available to convicted young offenders being held in custody. The bill would do away with the existing criteria for deciding whether a young person should be placed in open or secure custody. Open custody includes a community residential centre, a group home, a childcare institution or a forest or wilderness camp. Secure custody is a gaol.

For the most part, the sentence depends on the sentence that an adult would receive for that offense. Under Bill C-37, the principle to be applied is that a young person should be placed in a level of custody involving the least degree of containment and restraint having regard to the seriousness and circumstances of the offense; the needs and circumstances of a young person, such as family, school work and so on; the safety of other young people in custody; and the interests of society. This bill would also expressly provide that the level of custody should allow for the best possible match of programs to the young person's needs and behaviours.

The bill introduces victim impact statements into the youth court procedure. At present, these are used only in adult court. The role of victims and their families in the criminal justice system has changed dramatically in the past few years. It is now evident that they want a role to play, particularly with respect to young offenders. Their pain and loss should be acknowledged

and heard in the sentencing process. Again, one of the aims of the act is for young people to bear responsibility for their contraventions. A fundamental part of this measure is that the young offenders be aware of the consequences of their actions for the victims and their families. The fact that the court is able to order restitution emphasizes the importance of an assessment of the impact of the crime on the victim.

The next issue I want to address concerns the use of information about young offenders. This has been a source of great controversy, as we all know. It involves balancing the right to privacy of a young offender against the risk to society, understanding that disseminating information about a young offender's criminal past will make reintegration into normal life significantly more difficult.

The amendments would provide for the longer retention of records of young offenders convicted of certain serious offenses. At the same time, young offenders convicted of minor offenses will have their records retained for shorter periods of time. Again, the more effectively we can reintegrate young offenders into society, the less crime we will have to worry about. By contrast, the less successful we are at reintegrating young offenders, the greater the likelihood that these people will continue the cycle of criminal activity. However, for young offenders convicted of serious crimes, these records should be kept for a longer period and the bill will provide for that. Records of convictions for first and second degree murder will be kept indefinitely.

The bill would also provide for the sharing of information between the police and the provincial director for youth justice and school boards, schools and professionals, or others engaged in providing services or care to young persons. The information may also be shared with selected members of the public, if the court authorizes it for purposes of public safety. In this way, students, staff and others can be better protected when young people are prone to violence.

At the same time, the bill would require the information to be kept as private as possible and separate from the student's educational record. It would be destroyed when the information is no longer required; for example, when the young person has left the jurisdiction of the school board.

Honourable senators, I believe that Bill C-37 is a strong move in the direction of assisting our young people who unfortunately misstep and need assistance back onto the right path, while protecting society, and particularly our youth, from those young offenders who pose a real threat to the community. These in my view are the right goals. I urge you to support this bill.

On motion of Senator Andreychuk, debate adjourned.

## THE BUDGET 1995

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Spivak, calling the attention of the Senate to the budget presented by the Minister of Finance on Monday, February 27, 1995.

**Hon. Leonard J. Gustafson:** Honourable senators, I wish to make a few remarks in regard to the budget because, along with a lot of other farmers across the country and in Western Canada particularly, I believe that the budget was very unfair to agriculture.

I will lay out a few facts to begin with. First of all, in the balance of payments recorded by the agriculture minister himself, agriculture was accountable for about one-third of the balance of payments to this country. It would appear to me that we may be trying to kill the goose that lays the golden egg. It is so very important that we maintain a productive agriculture industry in Canada.

• (1500)

The one industry in Canada which has been overproductive is agriculture. If one can fault our farmers for anything, it is for being too productive. From that standpoint alone there is a different qualification with regard to budgets. We have had cuts in agriculture in the areas of research and transportation. Transportation subsidies were cut by 100 per cent.

I took part in the debate in the House of Commons on the Crow Rate. I am told that it was the second longest debate in the history of this country. The only debate which was longer was a Senate debate in 1918. We debated for hours about how the subsidy should be paid out, about whether it should be paid to the railroads or to the farmers. We went on and on about it, and there were different opinions on how it should be done.

It is interesting to note that it now looks as though no one will get paid. Landowners will get a once-in-a-lifetime, minimal payment.

On that point, my colleague reminds me that 40 per cent of farmers rent some land. Those farmers will not get a cent under this agreement. Yet, they will have to adjust to a possible increase of $18 to $20 a tonne for shipping their grain, which will bring the price of the grain down. The farm groups which appeared before the committee recommended that there be a payout to farmers of approximately $7 billion. We are getting $1.6 billion.

A number of things come into question with regard to how this will affect agriculture in Canada in the long term. Although there are some positive aspects, I want you to consider the following aspects. The first is the drop in the price of grain. In 1985, the price of wheat was between $5 and $6 a bushel. I delivered some grain two weeks ago for which I received just over $3 a bushel. That is half of what I would have received in 1985.

We must deduct from that $3 a bushel increased freight rates, which could be 50 cents a bushel. A bushel of wheat does not bring a great deal of money to farmers, and we do not have a program to help them make the transitions relevant to GATT and to competing in the North American market with the U.S. We have to compete in that market. In fact, we have no guarantee that the Export Enhancement Program in the United States will be removed, and I question that. In this budget we have sold out a very important part of the price of grain, and that will impact on the future of our farmers.

What does this do to the price of land? It is bound to drop, at least in the immediate future. The price of land which is on branch lines up to 80 miles from a main line will drop more significantly. Farmers who happen to be located on a main line will have a certain advantage; they will get their grain out more cheaply. However, farmers on branch lines will have to pay to truck that grain to the main line. There is no question that this will devalue the price of the land. I do not know whether the government took these things into consideration.

I sat on the St. Lawrence Seaway Committee. At one time, 75 per cent of our grain went out through the St. Lawrence Seaway. Today, only a small percentage of our grain goes out that way. It is obvious that on this point the Minister of Transport won out over the Minister of Agriculture. Mr. Goodale lost the battle and got skinned badly. Western farmers are well aware of that.

This will be another nail in the coffin of the St. Lawrence Seaway, and could even close it, because there will not be sufficient funds to transport grain through it, and we will have to go out through the West Coast ports. There is just no other way to get the maximum price for our grain. Without a doubt, this will have a major impact on the St. Lawrence Seaway.

What about the advantage to the U.S.? Through the years, I have had opportunities to speak with people from the CPR and CNR who have come to my office. We always used to tell them that if they got too tough with us we would have no choice but to take our grain down through the Mississippi. It is interesting to note that the largest percentage of wheat is grown within 100 miles of the U.S. border. It is also interesting to note that the CPR has bought the running rights into Minneapolis. The Sault line goes right by my door. It is obvious to me that they are pretty well prepared for it. A lot of this grain will go south.

We have a problem there. Our government does not really believe in the free trade agreement, so it is not fighting for farmers on issues dealing with the U.S. One need only compare the prices. We have now given up the Crow because the Americans were demanding it. Have they given up their Export Enhancement Program? According to Senator Olson yesterday, the American army bears much of the cost of keeping the Mississippi waterway open. That is not seen as a subsidy. We never argued that it was a subsidy, so we will have some real problems competing with the U.S.

This winter I had the opportunity to drive through Kansas. I did that intentionally to find out what the feed lots are doing down there. Cargill is feeding 150,000 steers in Garden City, Kansas. Two-thirds of all the cattle produced in feed lots are produced around Garden City in the state of Kansas and packed out of there. Feed lot after feed lot feed 30,000 to 40,000 steers. Iowa beef producers are the biggest beef producers in the United States. They bought out the biggest feed lot in Alberta and they are going to double the size of it.

Canadians need to wake up and smell the roses. We must seize the opportunities that are available to us. Instead of cutting our farmers into the dust, let us do something positive for them. We are a productive people, but we will be on the short end of the stick when it comes to trade with the United States because they are moving forward. We too should be moving forward. I am for a continental market. I am also for a level playing field. If our government will not fight for a level playing field through taxation and through the way in which it deals and negotiates with American farmers, then we will be lost.

• (1510)

In November 1993 I compared the prices of grain grown in Canada and sold at my own elevator in Macoun with the price of Canadian grain sold at an elevator in Crosby. In Macoun, we were getting $2.40 Canadian for our wheat. The Americans were getting $6 and change in Canadian dollars for hard wheat. They were getting over $8 for durum while we were getting $3.50. How can one compete? Yet, the Americans cry about a level playing-field while looking at our Crow Rate, which we gave to them voluntarily in this budget without expecting anything from them in terms of competition It is important that we as farmers compete in the continental market. That is a reality.

When we were introducing the NAFTA and talking about the importance of competing in the international market, the Liberals said, "We do not want any part of that." They signed it, but they do not understand it well enough to defend it. It is obvious in this budget that they do not understand it. They have sold our farmers out.

There is an east-west faction involved here as well. In terms of the marketing, there was a cut of 30 per cent. In terms of the Crow Rate, there is a cut of 100 per cent. That affects Western Canada very significantly.

Other areas have been cut as well. I mentioned in my question earlier the closing of seven research stations. Of the farm groups that have appeared before the joint committee of the House of Commons and Senate, every one has said it is important to have research and development. Why? It is important in order to have better varieties of grain.

In terms of research and development, I voted for the check-off that was introduced. Some 90 per cent of farmers asked for their money back because on many farms they were deducting as much as $1,000 a farm. The government is closing seven research stations in an industry that is productive and adds to our balance of payments. This is not a handout. The average Canadian spends 10 per cent of his income on food. That is the second lowest figure in the world. Canadians eat well, thanks to the farmers. Somehow or other, the government of the day does not understand that.

I want to refer to a motion in regard to the budget that was introduced in the Saskatchewan legislature. It sends a message to us all. It condemns the federal government for being grossly unfair and ignoring the needs of the western provinces of Canada by cutting grain transportation subsidies by 100 per cent and offering a minimal $1.6 billion one-time payment to landowners. As a result of this decision land values in Saskatchewan will drop. The moratorium on closing branch lines will end. The ultimate result of this action will be a dramatic and devastating effect on Saskatchewan as a whole. Following the adoption of that motion in the legislature, it was moved that a verbatim copy of the debate be forwarded to the Prime Minister and the federal Minister of Agriculture for immediate attention and consideration.

Honourable senators, this is a serious budget for agriculture. It will have a long-standing impact. We farmers are an optimistic bunch. We do not mind working hard. We know what production is all about, however, we have to be given a level playing field and a chance. This budget really straps us severely.

**Some Hon. Senators:** Hear, hear!

On motion of Senator Carstairs, debate adjourned.

## UNEMPLOYMENT INSURANCE ACT

BILL TO AMEND—SECOND READING

Leave having been given to revert to Commons Public Bills:

On the Order:

> Resuming the debate on the motion of the Honourable Senator Bryden, seconded by the Honourable Senator Adams, for the second reading of Bill C-216, An Act to amend the Unemployment Insurance Act (jury service). — (*Honourable Senator Berntson*).

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, this is neither the most compelling nor the most exciting bill that has been presented to the house. Thus, I will not spend a great deal of time on debate at the second reading stage of Bill C-216.

We are prepared to see it go to committee at this time. There we will seek clarification on a couple of issues.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Acting Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Bryden, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.

## PRIVATE BILL

CERTIFIED GENERAL ACCOUNTANTS' ASSOCIATION—
BILL TO AMEND—SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Kirby, seconded by the Honourable Senator Lawson, for the second reading of Bill S-8, An Act to amend the Act of incorporation of the Certified General Accountants' Association of Canada. — (*Honourable Senator Berntson*).

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, in the spirit of cooperation which seems to have settled over this place, I would, likewise, suggest that this side not oppose this bill going to committee at this time.

There are a couple of questions on this bill as well that will need clarification. They can be amply handled in committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Acting Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

• (1520)

## ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

COMMITTEE EMPOWERED TO PERMIT
COVERAGE OF MEETINGS BY ELECTRONIC MEDIA

**Hon. Colin Kenny**, pursuant to notice of Tuesday, February 28, 1995, moved:

> That the Standing Senate Committee on Energy, the Environment and Natural Resources be empowered to permit coverage by electronic media of its public proceedings with the least possible disruption of its hearings.

He said: Honourable senators, briefly, this is a motion to empower the Standing Senate Committee on Energy, the Environment and Natural Resources to admit electronic media from time to time if it has witnesses that it thinks would be of particular interest to the general public.

**Hon. Finlay MacDonald:** When is the meeting, Senator Kenny?

**Senator Kenny:** It is not for any particular meeting. It would still require a motion by the committee in each and every case, but it is necessary to get empowerment from this body first for it to do that. The committees that have that authority have requested it from the chamber. The Standing Senate Committee on Banking, Trade and Commerce is one and the Standing Senate Committee on Energy, the Environment and Natural Resources is attempting to do the same.

**Senator MacDonald:** When is your next meeting, senator?

**Senator Kenny:** The next meeting is scheduled for March 28.

**Senator MacDonald:** I congratulate the senator, because I have noticed instances where there have been requests for television coverage of a committee that was to meet within half an hour. Honourable senators realize that it usually takes a little more time than that to carry a camera into a room. There is that presumption.

I would suggest, honourable senators, that those wishing television coverage at least give a week's notice. It is taken for granted that people will cover the committee, but a week's notice would be in keeping with the tradition.

**Hon. Consiglio Di Nino:** Would the Honourable Senator Kenny take a question?

**Senator Kenny:** Certainly.

**Senator Di Nino:** I also agree with the principle behind this motion, but I assume he is talking about public media being invited to attend to televise the proceedings as opposed to setting up our own service.

**Senator Kenny:** Yes, that is quite correct. We are not talking about anything owned or operated by the Senate.

**The Hon. the Acting Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

## BUSINESS OF THE SENATE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, it is nice to know that Senator MacDonald from Halifax has had experience both behind and under the camera, as well as in front of the camera and carrying the camera.

This being Wednesday, honourable senators, I also observe that a number of standing committees are scheduled to meet at 3:15 p.m. They are overdue, and some have witnesses from out of town. I encourage all honourable senators to go to their committee meetings as soon as possible.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Thursday, March 2, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### TRANSPORT

PEARSON INTERNATIONAL AIRPORT—
IMPORTANCE OF PASSAGE OF BILL C-22 TO DEVELOPMENT—
STATEMENT BY LEADER OF THE GOVERNMENT

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, in reply to a question asked yesterday by the Honourable Senator Finlay MacDonald with respect to whether any development at Pearson airport is being held up because of the impasse over Bill C-22, the Leader of the Government replied, and I quote:

> ...until that law is passed I believe there is an impediment to the full and formal ability of that board to get on with its job.

The board referred to is the Canadian Airport Authority which is to administer Pearson airport.

I do not envy the leader's position during Question Period. She must often rely on briefing notes and other government material to answer questions covering a wide variety of topics. It is unfortunate, but perhaps not surprising, that her answer to Senator MacDonald is in error, as it was no doubt based on information provided by the Minister of Transport, who has become notorious for engaging in calumny and distortion.

The facts are as follows: On January 16, 1995, the Honourable Mr. Justice Borins of the Ontario Court of Justice, General Division, rendered a judgment which ordered the deletion of the registration of the lands and premises subject to the Pearson Airport Agreement. What this means is that T1-T2 Limited Partnership has no interest whatsoever in any property which was the subject of negotiations between it and the Government of Canada.

Mr. Justice Borins' judgment is a public document. It is certainly known to the Department of Transport. It must have been brought to the attention of the minister. Yet he persists in engaging in smear, distortions and insults while referring to a favourite muck-raking author for guidance rather than relying on the facts as provided by his officials.

It is deplorable that by having the Leader of the Government in the Senate unknowingly repeat the same misinformation the minister shows so little respect for her responsibilities in this place on behalf of the Government of Canada.

### THE BUDGET 1995

ELIMINATION OF ATLANTIC FREIGHT RATE SUBSIDIES

**Hon. J. Michael Forrestall:** Honourable senators, it is clear from the recent budget that the government has taken a fair shot at Western and Atlantic Canada. Just as the elimination of the WGTA in Western Canada will weigh heavily on grain producers in that part of our country, the dismantlement of the Maritime and Atlantic freight rate subsidies, which trace their roots to Confederation, will have a devastating impact on our region's manufacturers, producers and shippers.

Given our remote location from markets, these subsidies over the years had helped at least to minimize the disadvantage and allow producers and manufacturers to compete on a level playing field with their counterparts in Central and Western Canada and, indeed, even in the United States. With these subsidies eliminated, rail and truck transportation costs will increase by as much as 35 to 40 per cent, not to mention the direct impact on some 12,000 jobs.

I noticed that announced in the cuts to the western freight subsidies that an *ex gratia* payment of some $1.6 billion will be made to western farmland owners. As well, they will be recipients of a multi-year WGTA adjustment package of $300 million to assist in the transition period, all of which we support. I am not questioning that.

However, some clarification is required on the part of someone. Was it simply an oversight that a similar program was not announced for Atlantic Canada? Should we eagerly anticipate just such an announcement? I hope that the $326 million allotted under the Transportation Adjustment Program is not what Paul Martin and Doug Young consider to be an adequate replacement for a program that totals some $100 million annually. Our infrastructure is certainly important, and any assistance in that regard is most welcome. However, it does not address the issue of providing direct assistance to our hog producers and our potato farmers who rely on these programs to remain competitive with our neighbours in the west and south of the border.

Honourable senators, later on, I would like to ask the Leader of the Government in the Senate whether she can shed some light on this matter and whether Atlantic Canadians might look forward to further announcements from the government in this regard.

## INTERNATIONAL WOMEN'S DAY

**Hon. Sharon Carstairs:** Honourable senators, because it appears that we will not be sitting next week, I draw the attention of the Senate to the fact that on March 8 the world will be celebrating International Women's Day.

• (1410)

The theme in the country in which we are all fortunate enough to live will be "Creating a World of Equality," and that is exactly the same theme which will be brought by this government to the fourth United Nations' world conference on women to be held in Beijing, China, in September of 1995.

Canada has been an international leader in the advancement of women, and that is true no matter what political party has been in government. Despite the UN goal of full equality for women worldwide by the year 2000, we know that for many women it has been a backward step, not a forward advancement. However, that has not been the case in our country, and I would draw the attention of senators to a number of changes which have taken place just within the last year.

In December 1994, legislation was introduced to extend the Employment Equity Act to cover the entire public service, as well as publicly regulated companies with more than 100 employees. Women who own small businesses have benefited from moves to improve access to capital and the opening up of the loans approval processes. The Court Challenges Program was reinstated in October 1994, and this will make challenges, particularly under section 15 of the Charter of Rights and Freedoms, more possible. The Canada Student Loan program was amended in order to allow new grants for certain women pursuing doctoral studies. There have been clarifications to specific provisions of the Unemployment Insurance Act which will allow women to leave their jobs due to sexual or other forms of harassment. Positive measures with respect to breast cancer research have been introduced in this country.

All of us will want to rejoice in the greater equality of opportunity for women in this country and the promotion of that equality worldwide.

## IMMIGRATION

### IMPOSITION OF RIGHT OF LANDING FEE— EFFECT ON POOR IMMIGRANTS

**Hon. Consiglio Di Nino:** Honourable senators, Minister Martin's budget contains a particularly offensive proposal.

**Senator Berntson:** More than one!

**Senator Di Nino:** This budget imposes a head tax on all new immigrants and refugees. On top of the present processing fee of $500, there will now be an additional right-of-landing fee, as they call it, against each immigrant or refugee in the amount of $975. The move is purely a cash grab that will net the federal government $146 million in 1996-97. The cost to a family of four immigrating to Canada would be $3,160. Compare this to the fee in the United States of $1,644. This government was also the first to establish a fee for landing of genuine refugee claimants. This is the Liberal way of welcoming immigrants.

Honourable senators, my mother, my father and I arrived in Halifax at the historic Pier 21 in August, 1951, with paper suitcases full of dreams. Like those before us and those who followed us, we have helped to shape and build the best country in the world. I know we would not have been able to afford the type of fees Minister Marchi and this Liberal government have now imposed on each person wanting to build a new life in Canada. I wonder whether Minister Marchi and his family had the resources to pay such a fee when they came to Canada.

I believe that it is a privilege to be admitted to the Canadian family, but I believe it is a privilege which the largest majority of new Canadians pay for with their broad and strong backs, their determination and drive, their ingenuity, and some with their lives, all while making Canada stronger and better. Yet, this Liberal government, the protector of Canadian values, the friends of immigrants, in fact Canada's political hypocrites, have now imposed a head tax on each new immigrant and refugee. How many will not be able to come to Canada because they will not be able to afford these fees?

The "Red Manifesto" of the Liberal Party contains commitments and promises which continue to be broken, but this provision to impose a head tax on all those who come to Canada is a blatant betrayal of the principles espoused by Liberal promises over the years and the promises contained in the Red Book. I hope my colleagues opposite feel a little shame and anger, and I hope they let Minister Marchi know.

## NATIONAL DEFENCE

### DISBANDING OF CANADIAN AIRBORNE REGIMENT

**Hon. A. Raynell Andreychuk:** Honourable senators, as I was growing up in this country, every year the words "Lest we forget" served to remind us of the contribution that individual Canadians have made to give us the freedoms and opportunities that we enjoy. There is no greater calling than to serve one's country and to be prepared to stand in harm's way, or in fact to risk one's life, or indeed to pay the ultimate price. That is precisely what many Canadians did when they served with honour in the Airborne Regiment for some 27 years.

**Some Hon. Senators:** Hear, hear!

**Senator Andreychuk:** That calling and sacrifice was shared, not only by the members of the Airborne Regiment, but also by their families and friends. It is not an easy task.

Yesterday, the Airborne Regiment was disbanded. While individual members may be reassigned when an institution in which they are involved is disbanded, they are dishonoured nonetheless. Individuals, no matter what their personal success or contributions, are affected by this action and are tainted.

In the haste to correct the wrongdoings and perhaps the unlawful acts in the regiment, the Government of Canada has committed a wrongdoing to the innocent of that regiment. Our system of justice has always been one that stated, "Let a guilty go free lest an innocent be hung." I believe that, in disbanding the regiment this principle was violated.

I urge the Government of Canada to reconsider its decision, or at least to come forward with a plan to ensure that those who served well and with honour within the regiment for some 27 years can in fact be proud of their history and their contribution. We must not forget them.

## AGRICULTURE

### FARM SAFETY WEEK

**Hon. Dan Hays:** Honourable senators, next week is National Farm Safety Week. The declaration of that time to draw attention to farm safety marks the start of a national farm safety campaign supported by farm groups, organizations and government departments across Canada. This year, the agricultural community is being urged to take the challenge to focus on farm safety and health, not only during the designated week but as a year-round, daily concern.

During this week, several unsettling facts about farm safety will be highlighted. We lose approximately two people a day in farm accidents. Disabling injuries are suffered by agricultural producers on more than a daily basis. There are needless injuries and fatalities suffered by young children and senior citizens in the rural community, a matter which is all the more the case because in the agricultural setting the home is located on the work site and is often also the playground for children. As a result, it creates a hazard of which we must be more conscious. We must do more to ensure that these terrible accidents we hear about so often do not occur.

Certainly the Standing Senate Committee on Agriculture and Forestry is aware of the hazards faced by our agricultural producers and their families. On September 22, 1992, Senator Barootes, our former colleague, then Chairman of the Standing Senate Committee on Agriculture and Forestry, sought the Senate's consent for the committee to examine farm safety and farm-related health issues. On June 21, 1993, Senator Berntson tabled an interim report entitled "Farm Stress: Its Economic Dimension, Its Human Consequences."

The committee continued its examination of farm safety and health-related issues by receiving testimony related to machinery use, a particularly important issue given the prevalence of fatalities and injuries associated with the operation of farm machinery. A report summarizing the testimony received by the committee will be tabled in the near future, as the issue of farm safety and farm health remains a critical concern, not only to members of the committee and farmers, but to all Canadians.

As noted by Minister Martin in the budget on Monday, all Canadians must take greater responsibility for their lives. Certainly National Farm Safety Week would be an opportune time for farmers and farm families to take the challenge of safeguarding their own safety and health.

In closing, I encourage all honourable senators to take the time during Farm Safety Week to learn about farm health and safety and to take back to your provinces the message of the importance of farm health and safety.

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• (1420)

# ROUTINE PROCEEDINGS

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with the usual admonition that we could be recalled under very special circumstances, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday, March 21, 1995 at two o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## CANADA-CHINA RELATIONS

### HUMAN RIGHTS IN CHINA AND TIBET—NOTICE OF MOTION

**Hon. Consiglio Di Nino:** Honourable senators, I give notice that on Tuesday, March 21, 1995, I will move, seconded by the Honourable Senator Cohen:

> That the Senate urge the Government of Canada to express concern over continuing reports of violations of human rights and fundamental freedoms in China and particularly Tibet by local, provincial and national authorities and severe restrictions on the rights of citizens to freedom of assembly, association, expression, religion, as well as to due legal process and fair trial; and
>
> That the Senate urge the Government of Canada to encourage the People's Republic of China to take further measures to ensure the observance of all human rights, including the rights of women and children, and to improve the impartial administration of justice; and
>
> That the Senate request the Government of Canada to encourage the government of the People's Republic of China to allow foreign delegations to Tibet to study the human rights situation, the state of religious freedom, the status of women, the treatment of Tibetan children and prison conditions; and

That the Senate urge the Government of Canada to extend support to Tibetan people in their struggle to regain their freedom and the presentation of their culture; and

That the Senate encourage the Government of Canada to support the non-violent efforts of his holiness, the Dalai Lama, to resolve the issue of Tibet, particularly the Dalai Lama's campaign to make Tibet a zone of ahimsa, non-violence, through demilitarization and the protection of Tibet's natural environment; and

That the Senate implore the Government of Canada to ask the Chinese authorities to commence negotiations with his holiness, the Dalai Lama, and to the Tibetan Government in exile and representatives of the People's Republic of China on the future of Tibet without preconditions.

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# QUESTION PERIOD

## THE SENATE

### PUBLIC STATEMENTS BY MINISTER OF TRANSPORT REGARDING MOTIVES OF CERTAIN SENATORS— POSITION OF LEADER OF THE GOVERNMENT

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, yesterday I brought to the attention of the Leader of the Government a statement made by the Minister of Transport to the effect that, in his opinion, the position of 52 of her colleagues on Bill C-22 was motivated largely, if not solely, by the fact that they were trying to line their friends' pockets with money.

Now that 24 hours have elapsed and the leader has had a chance to reflect on this statement, can she give me a more direct answer to my question of yesterday: that is, "yes" or "no," does she agree with her colleague the Minister of Transport's statement regarding our motivation, and is this also a sentiment shared by the Prime Minister and other cabinet colleagues?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, yesterday I undertook to draw to the attention of my colleague the Minister of Transport the discussion that took place in this house, and I did so. The minister assured me of his strong support for the work of the Senate in finding a resolution to Bill C-22. Second, he assured me that it was not his intent to cause personal affront to any member of this place.

Honourable senators, I spoke to my colleague today. I know in the heat of the moment words are used on both sides of this house, and they are used on both sides of the other House. I respect the integrity of my colleagues, and when the Minister of Transport assured me this morning that he had no intention of causing personal affront to anyone in this place, I accepted the word of my colleague.

**Senator Lynch-Staunton:** I thank the Leader of the Government in the Senate for having revealed the particulars of what was obviously a private conversation, since none of those sentiments have been revealed by the minister, himself, publicly.

As a matter of fact, the minister, rather than retracting or amending his comments, or better still, what he should do, which is resign from the government for the contempt that he has heaped upon this Senate, has kept on along the same lines. Yesterday afternoon during a scrum, he said:

> So I will just let the Conservative majority in the Senate continue to try to take care of their friends, and I am going to try to take care of Pearson airport.

Then, blaming us for the delay in renovations and essential works to be done at Pearson, he spoke of:

> ...the enormous potential that is being stifled because of people who have no concern at all for the public interest in Canada...

Again, he is talking about 52 members of this place.

It is only fair to ask the Leader of the Government in the Senate whether her colleague's repeated statements about the motivations of 52 of her colleagues are shared by her and by other members of the cabinet.

**Senator Fairbairn:** Honourable senators, the first statement that I made in this chamber yesterday was that, as Leader of the Government here, and as a senator, on no occasion would I impute motives to any individual in this chamber, regardless of where they sit.

As I said to my honourable friend, I have had a conversation today with my colleague. I have reported to the members of this Senate, as I indicated I would, and as he encouraged me to do, that it was not his intent to cause personal affront to any member of this place.

He also went on at some length, and with some degree of passion, regarding his support for any continued effort that members of this chamber together can make to accomplish what is at the centre of this issue: the successful conclusion and resolution of the Pearson airport issue, including Bill C-22.

In a number of comments to me, he urged every effort and offered every support for the conclusion of this particular piece of business, which has caused very heated emotions to be expressed on either side of this house and, indeed, in the other place.

The motivation for all of us, and the motivation for the Minister of Transport, is to reach a solution that will permit the development of the largest airport in this country, serving millions of the travelling public, and producing thousands of jobs during the development process itself. Honourable senators, I hope that we will all make every effort to find a mutually agreed upon solution to permit that to happen.

**Senator Lynch-Staunton:** Honourable senators, I have a final question. The question I have been asking for the last two days has nothing to do with Bill C-22. Whether Bill C-22 is delayed indefinitely, the proof exists that the Government of Canada can proceed with whatever renovations are required.

• (1430)

The question has to do with repeated statements by a minister of the Crown heaping contempt and suggesting motives of illegality by members of the Parliament of Canada who happen to be in the Senate. To whisper to his colleague, "I did not really mean it, you know; I hope I did not offend anyone" is cowardly, and to refuse to apologize in public can only be confirmation that everything he said he believes, since he refuses to retract.

Honourable senators, these are not impulsive, emotional sentiments which one regrets once having said them. He has been constantly heaping abuse on this side of the chamber for nearly a year. Yesterday afternoon he made the most recent of many outbursts. He said:

> Look, let's be clear on this. This bunch —

that is, 52 of your colleagues in this place —

> This bunch did not give a damn about the Canadian public interest when they did this. They don't care about it now.

How much of this can we take and how long will the Leader of the Government in the Senate defend such irresponsibility?

**Senator Fairbairn:** Honourable senators, further to the comments of my honourable friend, of course the future of Pearson airport and Bill C-22 are part of what we are discussing in this chamber.

**Senator Lynch-Staunton:** That was not my question.

**Senator Fairbairn:** It is fundamental to the questions which are being asked in this chamber because it is the very heat and controversy of this issue which has caused colleagues on both sides of Parliament to make unparliamentary comments — in this house even my honourable friend has periodically found himself using colourful language.

**Senator Lynch-Staunton:** I never called the minister a crook.

**Senator Fairbairn:** I do not believe the minister has ever called anyone a crook either.

My honourable colleague, and he is an honourable colleague, has taken his responsibilities as the Minister of Transport very vigilantly. As I said, he is committed with passion and emotion to getting the job done. He is also assuring me very strongly of his support for this chamber, my friends opposite and my friends on this side of the house, to work together to get the job done for the people of Toronto, all the people of Canada, and all those who travel on the airlines.

He has said to me today, honourable friends, that he intends no personal affront to anyone in this chamber. I accept his words.

## AMENDMENTS TO BILL C-22—REFUSAL BY MINISTER TO APPEAR BEFORE SENATE COMMITTEE

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I have a supplementary question. In this new-found spirit of cooperation, could the Honourable Leader of the Government in the Senate explain why the minister refuses to come before the Senate committee to deal with the amendments to Bill C-22?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I have been told by colleagues on the other side of their understanding that the Minister of Transport or his office has said that he would not come before the committee. I shall verify that with him personally. I hope that in the days ahead we will be able to bring forward propositions which can be studied by that committee, and that we will be able to come to a conclusion on the outstanding points which Senator Beaudoin has indicated in the conclusion of the latest testimony. Perhaps that will move us forward on this legislation.

**Hon. David Tkachuk:** Honourable senators, I have a question for the Leader of the Government in the Senate.

Today, I read the transcript of the remarks of the Minister of Transport at yesterday's scrum. Mr. Diefenbaker once said of Otto Lang that if there were three patches of cow dung in a field, he would step in all of them. I would say of Mr. Young that if there was one patch of cow dung in a field, he would step in it.

**An. Hon. Senator:** Young dung!

**Senator Tkachuk:** I can understand that the Leader of the Government in the Senate knows that there may be a cabinet shuffle coming up. At least those are the rumours around Ottawa. I can understand her reluctance to do the Conservatives a favour. I beg her to urge the Prime Minister to keep Mr. Young in cabinet and perhaps to elevate him to the post of Deputy Prime Minister and give us Sheila Copps. On second thought, forget I said that.

Would she undertake, on our behalf and on behalf of the Progressive Conservative Party of Canada, to urge the Prime Minister to ensure that Mr. Young continues in his post as Minister of Transport?

**Senator Fairbairn:** Honourable senators, I am not aware of any substance to the rumours which my friend Senator Tkachuk has just shared with us. I will certainly pass on the honourable senator's views, on behalf of his colleagues, to the Prime Minister.

Honourable senators, in the past year I have watched my colleague the Minister of Transport go through an incredibly difficult task in an incredibly difficult department. I join with my friend Senator Tkachuk in hoping that the minister will retain his

Transport portfolio so that he can continue to work for Canadians with vigour and enthusiasm and with an eye to making it the best, most productive and efficient system that this country can possibly have, now and in the future.

**Hon. Marjory LeBreton:** Honourable senators, would the Leader of the Government in the Senate be good enough to suggest to her colleague the Minister of Transport that he spend less time nosing through Ms Cameron's fictional account of the Mulroney government, now thoroughly discredited by most serious journalists and political observers, and spend some time reading the official documentation concerning the Pearson agreements, perhaps even the contracts themselves?

**Senator Fairbairn:** Honourable senators, I wish to tell my honourable friend Senator LeBreton that I am certain that the Minister of Transport is very knowledgeable about every aspect of the Pearson airport. He is indefatigable, and I am sure that he can manage a wide range of reading material. I will certainly pass my friend's views on to him.

## PEARSON INTERNATIONAL AIRPORT—POSSIBILITY OF JUDICIAL INQUIRY—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, I have a question for the Leader of the Government in the Senate. With regard to the issue of the comments by the Minister of Transport, it seems that she intends to protect the position of the minister. Given this situation, the controversy and the fact that the leader is concerned about the credibility of this establishment and all its members, is the government now ready to set up a judicial or public inquiry, as has been requested by this side of the house on numerous occasions, in order to clarify this entire situation, to bring forward the facts pertaining to the entire disagreement, to clear the names of all of those involved, or to bring to justice those who are alleged to have done something wrong? Is the government now prepared to call for this judicial or public inquiry?

• (1440)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, over the past year the government's prime responsibility in this area has been to try to legislate a conclusion to the original Pearson Airport Agreement, as it promised to do prior to the election in October of 1993. Obviously it has been a long road. I would hope that, in terms of this legislation, we may be coming close to resolution.

The question of an inquiry has come up a number of times, honourable senators, as far as this house is concerned. You are absolutely right, Senator St. Germain. I will go to any length, and in whatever way I can, to ensure the integrity of this chamber and those who serve in it.

The Standing Senate Committee on Legal and Constitutional Affairs has proven itself to be a fine committee in dealing with some of the issues it has had to tackle in recent years. I believe the committee has been doing its job. As I said yesterday, my friends on the other side may not like — indeed they do not like — certain parts of the legislation or the program of the government on this issue. Obviously, there are people on this side who disagree honestly with friends opposite. There were disagreements among some of the most credible legal spokespersons in this country who appeared before the committee.

**Senator Berntson:** Not very much.

**Senator Fairbairn:** All of this, in the end, is narrowing the issues down to what I believe could be very productive ground for an agreement.

**Hon. Donald H. Oliver:** Why will the minister not come and speak to the committee?

**Senator Fairbairn:** The issue which has been of prime importance to my friends opposite, and which has been underlined time and again, particularly by the Leader of the Opposition, has been their overriding concern on the question of law and due process, and the constitutionality of this legislation. However, yesterday my honourable friend put forward a notice of motion in this chamber for a public inquiry on quite another track on this particular issue. If you go back into the testimony of the Minister of Transport when he appeared before the committee some time ago, this issue, in fact, arose —

**Senator Berntson:** When he asked us who we represented.

**Senator Fairbairn:** The minister said that if honourable friends were interested in pursuing that matter, then so be it. We know the situation in this chamber. As the Leader of the Opposition indicated yesterday, if my friends opposite wish to proceed with such an investigation, then so be it.

**Senator St. Germain:** Honourable senators, the minister himself, at one point I believe, threatened or attempted to threaten this particular house with an inquiry. Now we are simply asking the government to come forward with a judicial inquiry or a public inquiry so we can clear the names of those who are being accused of doing something wrong. Whether the Leader of the Government wants to admit it or not, the statements in the last couple of days have clearly indicated that there is a possibility — at least the minister seems to think there is. Why not have a public or a judicial inquiry and clear up the question once and for all? Then we can get on with the business of the country. It is the Minister of Transport and your government who are holding up the entire process.

**Senator Fairbairn:** Honourable senators, I honestly would like to read over that question in the *Debates of the Senate* and think about it over the next two weeks. The intent and the fervent desire of the government is to get on with the passage of this legislation, to get on with the development of Pearson airport, to do the kinds of things we had promised to do in the election; the kinds of things that people are expecting in terms of that airport and the travelling public.

**Senator Berntson:** You can do all of that.

**Senator Fairbairn:** There is a strong desire to get on with that. Given the fiscal considerations within our country, as were underlined in a tough but fair budget the other day, there has always been a concern in relation to this matter about making the taxpayers of Canada vulnerable to possible payments of up to half-a-billion dollars. All of these elements contribute to the tremendously difficult positions in which both sides of this house find themselves. Perhaps it is a credit to the integrity and the workmanlike relationship we enjoy in this chamber that the committee has proceeded in the way it has. It is taking a long time, but that does not preclude the possibility of a positive result.

## JUSTICE

APPOINTMENT OF SISTER OF MINISTER OF TRANSPORT TO COURT OF QUEEN'S BENCH OF NEW BRUNSWICK— GOVERNMENT POSITION

**Hon. Orville H. Phillips:** Honourable senators, my question is for the Leader of the Government in the Senate. Yesterday, while Transport Minister Doug Young was making blatantly false accusations against senators on this side of the house, he had his sister appointed as a justice of the Court of Queen's Bench in New Brunswick.

**Senator Lynch-Staunton:** A great Canadian, no doubt!

**Senator Phillips:** That appointment is worth at least $2.5 million during her expected term, not allowing for any increases in judges' salaries. That should be enough to line one handbag, unless she is the Imelda Marcos of the handbag industry.

How does this appointment reconcile with the promises made in the Red Book about no patronage?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I must confess I was not aware of this appointment. However, I would urge my honourable friend to consider the merit of the individual who has received the appointment.

**Senator Berntson:** Everything being equal, it will go to a Liberal.

**Senator Fairbairn:** First, as my honourable friend knows, unlike the myriad of appointments that were available in the past, there has been a significant reduction in the numbers of these kinds of openings available across this country.

**Senator Lynch-Staunton:** Not judges.

**Senator Phillips:** Not in New Brunswick.

**Senator Fairbairn:** Not in New Brunswick? In terms of the particular appointment brought to my attention by my friend, that person should be judged on the merit she is bringing to the job.

**Senator Berntson:** I think she is a Tory, anyway.

**Senator Phillips:** Honourable senators, I am quite willing to concede that Madam Justice Young has a great many qualifications, but so did the people who were involved in the Pearson consortium. That has not been taken into consideration here.

I have a two-part supplementary question. First, does the minister have any brothers or sisters awaiting appointment? Second, would the recommendation by a minister of the Crown of a relative for an appointment be considered to fall within the double-dipping legislation proposed by the government?

**Senator Lynch-Staunton:** Like a nephew?

**Senator Fairbairn:** Honourable senators, I have no brothers. I have a very fine elder sister who lives in Wisconsin, of whom I am extraordinarily fond. I am quite sure she is content and happy in her life where she is, and my friend need not worry about anything along that line.

**Senator Phillips:** I really had Doug Young in mind, rather than the Honourable Leader of the Government in the Senate.

• (1450)

**Senator Fairbairn:** That gives me an opportunity to pay tribute to my sister.

I must confess that I got so carried away that I forgot the second part of my friend's question. However, I will look it up and take it seriously, as I always do, Senator Phillips.

[*Translation*]

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT— DELAY IN REDEVELOPMENT OF TERMINALS 1 AND 2

**Hon. Pierre Claude Nolin:** Honourable senators, I did not know that in coming to the Senate I would get a lot more exercise simply by rising in my place time and time again.

Honourable senators, let us talk about the development of the Pearson airport. For about a year, the Minister of Transport has been saying that the Senate's attitude is blocking development of the Pearson airport. You, yourself, referred to this excuse just a while ago.

For my first question, I would like you to tell us or explain to us what is preventing the transport minister from going ahead with the development of Terminals 1 and 2 at Pearson International Airport.

I will help you with your answer. A month and a half ago, the Ontario Court General Division decided that the deeds are clear. The airport is yours, in the sense that it is the government's, and no one can claim any right to these terminals.

Honourable senators, what is stopping the government from going ahead, tomorrow morning, with the maintenance, renovation and development of the Pearson airport for the multitudes of tourists and travellers who want to use this facility?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I have listened carefully to Senator Nolin's question, as I did to the statement made by my friend, the Leader of the Opposition, at the beginning of today's sitting. One point I wish to make to him and to colleagues on both sides of this house — and I am sure Senator Murray would echo this point after the years he spent in occupying this seat — is that I appreciate very much the cooperation and the attention that my colleagues in the government and the people who work with them give me in the rather different responsibility I have in this chamber.

I say to my honourable friend the Leader of the Opposition that I have every confidence that the material that is provided to me in order to convey answers in this house is provided to me with great skill, great honesty and great ability. As best I can, I attempt to relay that information to honourable senators.

When Senator Lynch-Staunton rose today in the house, I was prepared to answer, perhaps, one or two questions concerning this particular area of concern. Senator Nolin has also asked me a question in this regard. I will not answer those questions now. I should like to take the information that I have been offered by my two honourable friends to the Department of Transport to check it out. If I am permitted to do that, I will come back to this place when next we convene to answer those questions.

[*Translation*]

**Senator Nolin:** I have just sent you a copy of a very short decision, four paragraphs to be exact, if we cut out the verbiage. Your government has every right to begin any work it feels is needed at Pearson airport right now.

Yesterday afternoon, the Minister of Transport repeated that he had no intention of taking part in a senatorial inquiry or any other for that matter regarding the circumstances surrounding the Pearson airport contracts and their cancellation, in particular those regarding Terminals 1 and 2. Honourable senator, is this still the opinion of the Minister of Transport and of your government?

[*English*]

**Senator Fairbairn:** Honourable senators, with respect to the second part of Senator Nolin's question, I will certainly have a conversation with my colleagues.

With respect to the first part of the honourable senator's question, I wish to reiterate that I want to look at what he has said. He and the Leader of the Opposition have expressed themselves in simple terms, but I suspect there is a bit of complexity to be had in providing comprehensive answers to the questions. It is for that reason that I should like to go back to my colleague and get through the whole panorama of exactly what the situation is in terms of developing the local airport authority and all that springs from it.

Honourable senators, obviously, I respect the comments that have been made today. I will take them with me. I hope to be able to bring back a full and balanced answer to the satisfaction of not just my honourable friend and the Leader of the Opposition, but of myself.

**The Hon. the Speaker:** Honourable senators, the time allotted for Question Period has expired. I have on my list still the names of Senators Comeau and Carney. I see that Senator MacDonald is also on his feet.

I am your servant. Is it the wish of honourable senators to extend the time allotted for Question Period?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Therefore, we will continue.

## THE BUDGET 1995

### INEQUALITY IN FUNDING TREATMENT OF ATLANTIC AGENCIES

**Hon. Gerald J. Comeau:** Honourable senators, my question is addressed to the Leader of the Government in the Senate. It relates to the budget documents which I have been looking at over the past few days. I was struck by the fact that the Atlantic Canada Opportunities Agency was hit with a cut of $31.6 million. However, at the same time, the Enterprise Cape Breton Corporation received an increase of $7.2 million. I do not quarrel at all with the people of Cape Breton being provided with increased funding because the people of that area very much need it. I have many relatives and friends in that area.

More cynical people than I might question, however, the political agenda of the minister from Nova Scotia and his bias to one region over other regions, something which he has demonstrated on many previous occasions.

Would the Leader of the Government in the Senate remind the minister from Nova Scotia that he is the minister for all of Nova Scotia, as well as the minister responsible for all of Atlantic Canada through ACOA? At budget time one has to present a certain image. It does not look good for the minister responsible for such cuts to have every regional development agency in the country slashed while his own area receives an increase in funding this year.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as my honourable friend knows, there have been cutbacks in all regional agencies. I know there was a good whack taken out of the Western Economic Diversification Fund, and one must be zealous in using what remains in a more creative and innovative way and, perhaps, even be able to lever it.

ACOA has also been cut back, as have all the other agencies. Part of the reason economic entities such as ACOA exist is to be able to pay special attention to small and medium-sized businesses, innovative enterprises and technologies and small entrepreneurs who are looking into the export market. Another reason these entities exist is to do all of that in a way that will assist where it is most needed. Those are the general principles with respect to how these organizations operate.

I would be pleased to send my honourable friend's questions to the minister. Cape Breton is one of the most beautiful parts of this country. No matter what operations take place in that particular area, Cape Breton is still one of the most beautiful parts of this country, the citizens of that part of the country have always been under considerable economic pressure. The interests there, as in other parts of Atlantic Canada that face similar situations, will be of great concern to the minister.

• (1500)

## THE ENVIRONMENT

AUTOMATION OF WEATHER STATIONS—
RELIABILITY OF TECHNOLOGY—GOVERNMENT POSITION

**Hon. Pat Carney:** Honourable senators, my question is for the Leader of the Government in the Senate, and I am sure she will wish to raise this with her cabinet colleagues as well as answer in this chamber. In the Liberal budget, Environment Canada is closing 50 local weather stations, including one in Lethbridge, the minister's home town, in favour of automated weather stations. The Department of Transport, Minister Young's department, has already issued a warning to pilots saying that this new technology is unreliable and that pilots should not rely on it.

Why is Environment Canada closing local weather stations in favour of a technology that the Department of Transport admits does not work?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be very pleased to look into the statements Senator Carney has made and provide her with a factual answer to them.

## TRANSPORT

EXISTENCE OF ANY IMPEDIMENT TO REDEVELOPMENT OF
PEARSON AIRPORT—GOVERNMENT POSITION

**Hon. Finlay MacDonald:** Honourable senators, my question is for the Leader of the Government in the Senate. After I ask this question, I swear on my grandmother's grave — as we say in Palermo — that I will never ever return to this subject again, in this precise form. After the evidence produced by Senator Nolin respecting the leases and the other matters which were purported to hold up the development of the airport as a result of the government's inability, so far, to find a legislative solution to Bill C-22, would the minister, over the next few weeks, determine if there is any impediment whatsoever respecting the immediate redevelopment of Pearson airport which we might have missed?

**Senator Berntson:** Only money.

**Senator Lynch-Staunton:** Approximately $700 million.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, that is exactly what I wish to do. As I have said, I have listened carefully to the statements here in this house today, and I have read carefully the information that I have received. I wish to put it together and find out exactly what that fundamental answer is, in all of its aspects. I will be more than pleased to have it in as much detail as I can provide.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a delayed answer to an oral question raised in the Senate on February 16, 1995, by the Honourable Senator Robertson, regarding potato blight in New Brunswick; a response to a question raised in the Senate on February 22, 1995, by the Honourable Senator Spivak regarding the greenhouse gas reduction strategy; and a response to a question raised in the Senate on December 15, 1994, by the Honourable Senator Gauthier and by the Honourable Senator Corbin regarding the precincts of Parliament.

## AGRICULTURE

POTATO BLIGHT IN NEW BRUNSWICK—COMPENSATION FOR
DAMAGES SUSTAINED BY GROWERS—GOVERNMENT POSITION

*(Response to questioned raised by Hon. Brenda Robertson on February 15, 1995)*

Crop loss assistance is the responsibility of the provincial government. However, the federal government makes substantial contributions towards premiums and administration costs of crop insurance programs, in the order of $2.2 million for 1994 in New Brunswick. This substantial contribution emphasizes the fact that crop insurance is the federal government's preferred vehicle to assist in crop loss situations.

Blight in potatoes is an insured peril under the Canada-New Brunswick Crop Insurance Program. In general, if the harvested production of insured growers is less than their production guarantee, they are eligible for crop insurance payments.

Recently released Statistics Canada figures show the New Brunswick potato cash receipts for 1994 are above average. In fact, they are the highest on record. However, it is recognized that blight has had a major impact in localized areas of the province. Luckily, crop insurance participation in the affected areas is high and crop insurance claims are being settled and payments are being made. There are still a fair number of outstanding crop insurance claims for seed potatoes. These claims will only be finally settled in April/May when the storage bins are opened to move the product to market.

In the meantime, federal officials are continuing to monitor the situation. In addition, they are working closely with provincial officials to find ways of using existing programs to provide relief to New Brunswick potato producers who are severely affected.

## THE ENVIRONMENT

### GREENHOUSE GAS REDUCTION STRATEGY—FAILURE TO REACH AGREEMENT—GOVERNMENT POSITION

*(Response to question raised by Hon. Mira Spivak on February 22, 1995)*

The following outlines Canada's existing Climate Change Commitments, which the government is prepared to honour:

International: Take actions aimed at returning greenhouse gas emissions to 1990 levels by the year 2000.

Federal: Liberal "Red Book" commitment: "Seek to work with provincial and urban governments to improve energy efficiency and increase the use of renewable energies, with the aim of cutting carbon dioxide emissions by 20 per cent from 1988 levels by the year 2005."

In the Spring of 1994 — Ministers agreed to a phased approach:

a) Work to meet stabilization target and develop sustainable options for reductions beyond 2000.

b) Continue to work with provinces, urban governments and key stakeholders to assess the impact of cutting greenhouse gas emissions by 20% from 1988 levels by the year 2005.

National: Federal and provincial energy and environment ministers agreed in Toronto on February 20 , 1995 to:

"Continue to proceed with the development of options that will meet Canada's current commitment to stabilize greenhouse gas emissions by the year 2000, and to develop sustainable options to achieve further progress in the reduction of emissions by the year 2005."

Energy and Environment Ministers' Meeting

Decisions Made:

Federal and provincial energy and environment ministers approved Canada's National Action Program on Climate Change (NAPCC) at their joint meeting in Toronto on February 20, 1995.

The National Action Program is a national consensus document that sets the strategic directions which will guide us in pursuit of Canada's objectives to stabilize greenhouse gas emissions at 1990 levels by the year 2000. The document also provides guidance for further actions beyond the year 2000.

Ministers agreed to proceed with the development of options that will meet Canada's current commitment, and to develop sustainable options to achieve further progress in the reduction of emissions by the year 2005. Ministers also agreed to report on their evaluation of the full range of options at their next joint meeting in November.

Ministers agreed the Voluntary Challenge and Registry Program is an important element of the NAPCC and committed to jointly develop a process to engage participants in the preparation of voluntary action plans.

The Program is not based only on voluntary measures. There are a number of regulatory and information initiatives in place and under development. The department of Natural Resources Canada has a number of programs in place to improve the energy efficiency of building, appliances and engines and will continue to explore opportunities for new actions in these areas.

Reducing Barriers/Reviewing Subsidies:

According to my colleague Ms McLellan, the fossil fuel industry does not receive special treatments through subsidies. Virtually all of the incentives unique to the oil and gas industry were eliminated with tax reform. Only the accelerated deductions associated with exploration and development investment remain in order to reflect the inherent risks associated with these activities. Moreover, there are other elements of the tax system that benefit renewable energy.

However, Minister McLellan supports the need to continue to explore opportunities for the development of less carbon-intensive forms of energy. The federal government provides significant support for renewable energy through R&D programs and selected tax incentives.

## PRECINCTS OF PARLIAMENT

### REQUEST FOR DEFINITION

*(Response to questions raised by Hon. Jean-Robert Gauthier and Hon. Eymard G. Corbin on December 15, 1994)*

Maingot, J., in *Parliamentary Privilege in Canada*, Butterworths, Toronto, 1982, defines the precincts as follows:

"In the parliamentary sense, the precincts are the premises which the House of Commons and the Senate occupy from time to time for their corporate purposes. It includes those premises where each House through its Speaker exercises physical control to enable the members to perform their parliamentary work without obstruction or interference."

Maingot identifies as the permanent precincts of each House not only the Centre, East and West Blocks, but also the Victoria Building, the Confederation Building and the Wellington Building.

Maingot also specifically states that the permanent precincts do not include the grounds of Parliament Hill.

Section 18 of the Constitution Act, 1867 gives to each House the privileges, immunities and powers enjoyed by the House of Commons at Westminster. These privileges include exclusive control over the precincts and over the internal administration of the House.

The government, as represented by the Minister of Public Works and Government Services, is the owner of buildings and grounds and is responsible for capital projects and maintenance of the buildings and is the user of the grounds.

CENTRAL HEATING PROBLEMS—REQUEST FOR REMEDY

PWGSC has inspected Senator Corbin's office. Adjustments to the heating system have been made. In addition, a temporary plexiglass panel will be installed on the interior of the window and an electric heater will also be provided.

PWGSC is aware of the antiquated nature of the building's heating system. Accordingly, the renovation of the heating, ventilation and air conditioning systems have been included as part of the future renovation of the Centre Block. This project is tentatively scheduled to commence in 2001.

## ANSWER TO ORDER PAPER QUESTION TABLED

APPOINTEES TO IMMIGRATION AND REFUGEE BOARD

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 61 on the Order Paper—by Senator Berntson.

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# ORDERS OF THE DAY

## THE BUDGET 1995

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Spivak, calling the attention of the Senate to the budget presented by the Minister of Finance on Monday, February 27, 1995. — (*Honourable Senator Carstairs*).

**Hon. Sharon Carstairs:** Honourable senators, I rise today to participate in this inquiry on the budget tabled by the Minister of Finance on Monday, February 27, 1995.

It is indeed a tough budget; there is no doubt about that. No one anywhere has tried to indicate that it is anything but a tough budget. It has generally been accepted across the country, however, as a necessary budget, and that it is time for Canada to get its economic house in order. One way to do that is to make a substantial reduction in government expenditures.

This chamber must discuss the fairness of the budget because it is our duty, in its broadest meaning, as parliamentarians. One of the good things about this chamber is that it tends to get away from the partisanship of debate that goes on in that other place. We can deal with issues on the basis of the issue itself.

Honourable senators, I picked up the newspapers with great interest. I listened to the Premier of Ontario saying that 54 per cent of all of the cuts were in Ontario. Then I listened to Lucien Bouchard, the opposition leader in the other place, and he said that 42 per cent of all cuts were in the province of Quebec. I added those two figures together and I came up with 96 per cent. I then thought about what had happened in my province to the Western Grain Transportation Agency and the closure of Air Command, and I looked at what was happening in Atlantic Canada and British Columbia and in the north. I said this is impossible. They cannot be getting 96 per cent of all of the cuts because if they did, there would only be 4 per cent left for the rest of us, and I know that we are paying a much higher price than that for what is so necessary in this economy.

I began to examine the budget documents, specifically with respect to my region, the province of Manitoba, and I equated it with what was happening in other parts of this great country of ours. Yes, Manitoba has been hit. We will lose Air Command, and that will be quite devastating, not only in terms of the personnel that will be leaving my city, but also in terms of the spirit as a result of the Air Command, a third of our services, being located in the province of Manitoba. I grew up in Halifax. It is almost inconceivable for me to think of Halifax without Naval Command. I am sure it is equally inconceivable for Quebec and Saint-Hubert to think about not having Army Command.

There is a sense of fairness here because we know that we have far too many officers in relation to service personnel. If we bring these three together, we can look at some downsizing and perhaps make some sense of our military expenditures in this country. So yes, I am deeply saddened about the loss of Air Command in Winnipeg, but I can understand the decision that has been made.

Senator Gustafson spoke quite eloquently yesterday, as did Senator Olson, about what has happened with regard to the Western Grain Transportation Agency. Those of you who have been involved in agricultural issues and certainly anyone who has lived in Western Canada knows the history of the WGTA and its mother or father, if you wish, the Crow benefit. It has been an essential part of grain transportation for 98 years, though it has not been without its faults. It has distorted the means by which we transport grain in Canada. It has caused us to do some very peculiar things, such as shift grain down east only to ship it back west so that it could go to market. That kind of action cannot be considered to make economic sense or good business sense, or even good grain sense. Branch lines which have been inefficient have remained because the WGTA encouraged this inefficiency.

• (1510)

What has the government decided to do? The government has decided to offer the farmers, the grain growers of this great country, a buyout of $1.6 billion. The money will be given as a capital grant and not as an income grant; therefore, in realistic terms it amounts to a $2.2 billion buyout.

They have also said there will be an additional $300 million for an adjustment strategy. Is that enough money? It is never enough money, honourable senators. There are certainly grain farmers who will tell you that that is not enough money, but it is all that the government of our great nation can afford at this particular point in time. There is no more money.

This move also gives to the grain farmers an incredibly new opportunity to look to new ways of doing things, and that $300 million will allow them to do that.

Honourable senators, we have heard a great deal in this chamber about the Red Book. Some have indicated that, in their view, the Red Book has not been followed, but I want to read to members of this chamber parts of the Red Book that have not been quoted here in this place. These are extremely significant points in terms of what this government did on Monday.

The Red Book said, and I quote from page 16:

> A Liberal government will adopt a two-track fiscal policy, matching a drive for jobs and growth with a comprehensive approach to controlling debt and deficits. The two tracks run parallel; fiscal discipline will support economic growth, while growth and jobs will enhance government revenues.

That is on page 16 of the Red Book, of which those of us who are Liberals are so very proud. I quote now from page 20:

> The Liberal approach is to set realistic targets and to implement the policies necessary to meet them. This philosophy will do more than any other single measure to restore international confidence in Canada.

And we did that. Again, at page 20:

> Any responsible government must have as a goal the elimination of the deficit. That is our goal.

Honourable senators, we made major efforts towards meeting that goal on Monday.

The Red Book also went on to talk about a major re-examination of social programs. It said at page 80:

> A Liberal government will, in the renegotiation of federal-provincial fiscal arrangements, engage with the provinces in a major re-examination of the funding of the health care program within the framework of our unwavering commitment to the five fundamental principles of medicare.

That is what was reiterated in the budget on Monday.

The Red Book states elsewhere:

> It is essential to provide financial certainty and predictability for our health care planning.

Finally, because I do not think we will necessarily get this quote from the other side, it said:

> It is time for the federal government and the provinces together to redesign social assistance to meet the needs of the 1990s and beyond. A Liberal government will work with all the provinces to use established funding mechanisms such as CAP in more innovative ways in order to move from passive to active support of people in need.

Honourable senators, there are still a great many people in need in this country. I want to talk very briefly about some of those who are in the greatest need and the reason why we must get our economic house in order.

We know that a strong economy is essential to the long-term health of our social programs. We also know, very tragically, that research into child abuse and neglect has suggested that the family structure is an important factor in a child's risk of abuse. It is not that abuse does not cross socio-economic lines — it does. It happens in poor families; it happens in rich families.

However, we also know that there are some factors which put children at higher risk. Among those factors are poverty; single parent families, because of the stress in that family dynamic; alcohol or drug abuse within the family; numerous siblings; the age of parents, particularly if they are very young; and poor health of children, particularly if the child is a disabled child. All of these factors put enormous stress on families.

Honourable senators, we learned in a recent report on family violence in Canada, published by Statistics Canada, that women with a household income of less than $15,000 showed rates of wife assault that were twice the national average. That is why we must get our economic house in order so that we can help those who are among the poorest in our nation.

Honourable senators, we know that in 15 per cent of the 951 cases in the same study, the child who suffers from abuse is disabled or has a medical condition. We know that many of these children live in poverty.

We know from the study that the rate of wife assault for women currently living with men who drink regularly — at least four times per week — is triple the rate of those whose partners never drink. We know from this study that women are at six times the risk of violence at the hands of partners who frequently consume five or more drinks at one time, compared to women whose partners never drink.

We know — and perhaps this is the most tragic situation of all — that children who witness violence by one parent against the other are considered children at risk, both psychologically and emotionally. All too often they too will go on to abuse or to be abused.

Honourable senators, in the present economic circumstances, we cannot expect that any more dollars will be found. What we must do is take the dollars that we have and redirect and refocus them. That is why a review of programming is so absolutely essential.

If we are to be a modern government, and if we are to be an effective one, then we must do that review. This budget has started us in the right direction, but there is more to be done. There is still a long road to travel, but at least we have started along the way towards economic recovery for Canada and a new focus on those most in need.

**Hon. Mira Spivak:** Honourable senators, with all due respect to the very eloquent and well-honed communication skills of my friend opposite, I believe the rational response to this budget and our economic situation should be one of outrage and sorrow: Outrage at the decision-makers of the last 20 years who allowed us to reach this particular place in time; sorrow because the political decision-makers are allowing the federal government to retreat from its traditional role in Canada as the advocate of the disadvantaged and the protector of the national interest.

Honourable senators, Mr. Martin stated openly "the very redefinition of government" — a government, to all appearances, in tune with corporate values rather than the traditions of the public utility, public interest, collectivist role that has traditionally been that of the Canadian federal government. Given the scale of retreat, the question is this: How does the federal government maintain its role as a national force, instead of reducing Canada to a collection of 10 provinces?

Mr. Martin is to be congratulated for tackling the public debt squarely, which is a major issue in politics today. However, questions must be asked as to the impact of that tackling. How fair is this budget? What is the core view — the Canadian view of social policy, employment policy, transportation, and industrial strategy?

• (1520)

Thirty per cent of all federal cutbacks are transfer payment cuts. Provinces, some of which have just finished balancing their budgets and making plans for the next few years, are now faced with Hobson's choice. The federal government's decision to slash $7 billion from its social program transfers — transfers for post-secondary education, health and the Canada Assistance Plan over the next three years — means that they will either have to raise taxes or cut welfare payments to make up for lost federal revenue. In my home province of Manitoba, the cuts will amount to $107 million in one year alone.

It is interesting that *The Globe and Mail*, in its February 27 editorial, arrived at the same level of cuts, $24 billion. *The Globe and Mail*, not exactly a small "l" Liberal paper, advocated only $3.5 billion in cuts to transfer payments to provincial governments. That is less than half. There are a number of other areas in which *The Globe and Mail* suggested cuts could be made, particularly in the business and corporate setup.

Here is what will happen. At present when welfare case loads go up, the provinces get more money as a result of the cost-sharing agreements. Colleagues opposite know that very well. Under these budget provisions, at the very time that more Canadians will be in need of help, in recessionary times, the federal government will offload its compassion and its presence as it downloads its deficit to the provinces. It is important to remember that the $7 billion reduction in transfer payments is only the cut announced earlier this week, because the de-indexing of established programs financing, begun in 1990, is still in place. Of course, there will be additional cutbacks after 1997-98 when the deficit will still be at $19 billion or $20 billion.

Other likely repercussions of the loss of federal revenue combined with block funding to the provinces could include a further delisting of medical services, since the federal government will no longer have the moral or financial leverage to enforce the requirements of the Canada Health Act as it once did. If no new federal money is put into cash transfers in 1998, and we know what the prospect of that is, the federal cash contribution will disappear as early as 2010, and that is very likely. There may be user fees. Each province will have to determine what it must do. There will be cuts in social assistance programs such as child care. By the way, forget the promised national child care program. There will be no meals on wheels for seniors or homemaker services. The provinces will no longer be required to put their share of the funding up front in order to gain federal moneys, which has always been the lever. That is gone.

Can home-care and other services compete with such priorities as arenas, assistance to forestry companies and subsidies to large-scale development? How will the federal government ensure that social and medical services such as these receive adequate funding? The real danger is that the security of these services will be lost as Canada becomes balkanized. Should we not have been informed of what Lloyd Axworthy's vision of the future for social programs looked like before all the cards were dealt, or does the new federal-provincial theory consist of the federal government saying to the provinces, "We will give you less money. You figure out how to spend it"?

How are national standards — not mentioned in the budget, which contains only goals and principles — to be enforced by a federal government with limited moral authority and financial clout?

Mr. Martin also stated on Monday that Canadians need a budget designed to promote growth in jobs, but 45,000 federal public servants will lose their jobs. In Manitoba, about 2,000 will lose their jobs. The closure of Winnipeg's Air Command Headquarters alone will deprive hundreds of their livelihoods, and a 75 per cent reduction in the Western Economic Diversification Fund, designed originally to create jobs, will also mean more unemployed. The Crow Rate change will cost jobs.

Officials of the Ontario government suggest that up to 90,000 residents in that province will be put out of work. The head of the economics department at the University of Manitoba suggests that, nationwide, the government spending cuts will cause the loss of up to 300,000 jobs.

What is the strategy to create employment for these people when the private sector's religious devotion to downsizing continues? Figures in the budget indicate that despite a buoyant economy the government does not expect unemployment to decline significantly this year or next. Of course, unemployment insurance benefits will be reduced.

A basic theme of the budget presented on Monday was fairness, yet tax experts such as Neil Brooks of the Osgoode Hall Law School and Allan Maslove of Carleton University do not give the government a passing grade on fairness. RRSP changes are described as utterly trivial since these changes will only bring in about $270 million worth of revenue out of $5.5 billion in forgone taxes. An end to tax breaks for family trusts was announced, but this will not take effect until 1999. By then the principals of these trusts will have had time to dismantle them and transfer millions of dollars to other tax shelters. Increases in large corporate taxes will generate $265 million a year, but subsidies to business will still total $1.5 billion in 1997.

No action has been taken on foreign tax havens for bogus Canadian subsidiaries which the Auditor General cited as a problem, nor has the tax system been reformed to prevent profitable Canadian companies from paying no tax at all.

George Baker, the Liberal MP from Newfoundland, has done some unbelievable work on this with his computer and the figures are staggering.

The big six banks, which recorded a record $4.28 billion in profits in 1994, were given a temporary tax increase which will generate $100 million. This represents an increase from 1.25 per cent to 1.4 per cent of capital. Can the sacrifice which will have to be made by the poor due to cuts in social transfers, unemployment insurance, et cetera, be compared to these tax increases, or the lack of them, at the top end?

Is it fair to cut the Department of Natural Resources and a quarter of the employees of the Department of the Environment while leaving the Department of National Finance almost intact, the very department whose predictions and analyses, judging by the results, have been, to say the least, not all that helpful in resolving Canada's fiscal problems, not to mention monetary policy? Is it fair to cut the CBC by 23 per cent over three years while not touching Atomic Energy of Canada Limited?

No discussion on fairness in the budget can be complete without a look at the budget proposal to end the Crow benefit this August, which will place an extraordinarily heavy burden on prairie grain producers. Grain producers will face an increase of freight rates to as high as $40 a tonne. They will have to either move grain south or switch to livestock products. The $1.6 billion payout presents some problems. Who will get the payout? Fifty per cent of the land in Saskatchewan, for example, is not owned by those who farm it, the lessees, but by banks, railway companies and the Farm Credit Corporation. While the elimination of the Crow Rate was not a surprise, it was done without giving us an idea of the vision of transportation for the 21st century, of the impact on ports, on the St. Lawrence Seaway, on the east-west link in Canada and on the environmental impact of increased truck travel. Canada produces the cheapest, best-quality food in the world, but can it compete, once subsidies are removed, with the U.S. market where subsidies and predatory market practices for international grain markets remain in place?

Agriculture will be particularly hard hit, suffering a reduction of $429 million or fully 29 per cent of all so-called business subsidy cuts by fiscal year 1997-98. The agricultural safety net will be reduced by 30 per cent over three years, contrary to the recommendation of the parliamentary committee on agriculture, on which I have the honour to sit. The committee said explicitly in its December report:

> Since Canada has already exceeded its World Trade Organization commitments in terms of domestic subsidy reductions, the committee recommends that income protection expenditures be frozen at their current levels until the end of the century.

• (1530)

Honourable senators, I want to offer the government a little more gratuitous advice for future budgets, based on five complementary reports, one of which was commissioned by the Finance Minister from the Task Force on Economic Instruments and Disincentives to Sound Environmental Practices. What do these reports suggest? They suggest eliminating the tax concessions and subsidies to the conventional energy sector, subsidies variously estimated in the range of $1.5 billion to $4 billion annually. The budget proposes only to reduce grants and contributions by some $400 million within four years. The reports question the transfer of income tax deductions by mining

and petroleum companies to investors through flow-through share financing. They suggest an end to the $88-million federal contribution to nuclear industry research in support of utilities that operate CANDU reactors. They suggest that senior government officials no longer receive subsidized parking. They suggest that ordinary Canadians be allowed to withdraw RRSP savings to save money by improving the energy efficiency of houses. The finance department's response to the advice of its advisors is largely, "Wait," or worse, silence. As a matter of fact, it has been estimated that forgone taxes alone are anywhere from $26 billion to $35 billion.

The minister's only additional major move among all those recommended was to increase the gasoline tax, a measure that task force members believe will have little or no impact on emissions of greenhouse gases, a measure that will cost Canadians $500 million.

I am really not in opposition to this tax. It is a good thing. However, as Jim McNeil, the distinguished former Secretary-General of the Brundtland Commission, wrote to the Finance Minister:

> It may be necessary at some point to increase fuel taxes significantly in order to reduce emissions, but before the government does that, it can and should take the oil and gas industry off the backs of the Canadian taxpayer. If the government wishes to cut the deficit, these and other economically and ecologically preferred subsidies and tax breaks are the place to start.

Honourable senators, I sincerely hope the Finance Minister is right when he says he has broken the back of the deficit. If that occurs, perhaps governments will buy back our sovereignty so that Canadian budgets need not be dictated by international currency speculators, transnational corporations threatening to withdraw investments or the *Wall Street Journal*. Can any of us forget Don Newman on budget night meekly questioning some callous, callow, patronizing journalist of the *Wall Street Journal* who allowed as how, yes, the Canadian budget might not be that of a Third World country by U.S. world-class standards. Perhaps we will have more than one minister's view — that of the Finance Minister — dominate the cabinet table so that Canadians who believe they have elected politicians to tend to the environment, to social programs, to cultural programs, to agriculture, will not see them grow invisible as their programs disappear. All those copies of the little Red Book — as outdated as its famous predecessor written by Mao — can then be dumped and recycled for some future useful purpose.

**Hon. Erminie J. Cohen:** Honourable senators, to be fair, I compliment the Minister of Finance for beginning the budget process. However, we know that the proof of the pudding is in its eating. It is still too early to be issuing congratulations.

I did sense in the minister's comments at least a willingness to begin to deal with some of the problems stemming from our nation's debt. Some Canadians will wonder what led to this conversion. Now we hear very little about the Red Book and with good reason, for though it was a supreme piece of election propaganda, it was a very unrealistic blueprint for the future of a nation's finances.

Some of us suspect it was the clear message of the international marketplace that strengthened the minister's resolve. His response seems to have quelled their fears for the moment, and that is good news for all Canadians. At a time when the actions of separatists are discouraging those who want to invest in our country's future and create jobs here, we cannot afford to add to investors' concerns by refusing to face our debt problems.

I know that politics is partisan, just as all my colleagues here know that I am not a member of the Minister of Finance's party. However, I will say this in all sincerity: I want the Minister of Finance to succeed and I wish him well. This nation had to confront its debt problem, and, if this minister helps us to do that, he will have my thanks.

In that regard, however, I want to urge the minister to face directly the problem of the deficit. It is not enough to just focus on a 1996-97 target of $25 billion as the minister does in this budget. This budget should have outlined a credible plan to balance the budget soon thereafter. Not doing so continues to put Canada at risk — at risk that interest rates will rise as Moody's again puts us on notice and at risk that more and more of our hard-earned dollars will go toward feeding an ever-growing debt monster.

This is the second budget of this administration. There will be two more before Canadians return to the polls. The budget revealed this week by the Minister of Finance, actually plans to spend over $50 billion on interest in 1996-97. If we could take a moment to imagine all the good that $50 billion could accomplish in the lives of Canadians, we begin to realize how much our failure to deal with the debt is costing us, our children and our grandchildren — the daycare spaces that will never be created; the university educations that will go uncompleted; the job opportunities that will be lost because of crippling taxation. These are the true costs of our debt.

Faced with such a problem, honourable senators, is it too much to ask the government to at least acknowledge in some form the need to balance the budget. Are we not entitled to be a little dismayed at a government which does not even set that as a goal? What our nation needs is a national deficit-reduction strategy consisting of both the federal and provincial governments.

The Minister of Finance in his speech spoke many times of giving provinces more say, more control. That is pure spin-doctoring. What the minister was really announcing was the abandonment of the federal commitment to social programs and the offloading of the debt to the province.

Let the record show, honourable senators, that in the budget of 1995, the Chrétien Liberals ignored their promise to talk to the provinces before changing the safety net. They promised no unilateral cuts to transfer payments in their Red Book. Then they did just that. A far better approach would have been for the provinces and the federal government to set common objectives and then sit down and decide who was to deliver what service. Not only could this ultimately save more money, but it would also show that federalism works.

Many Canadians are breathing a sigh of relief over the minister's budget, it is true. Through slick political manipulation, orchestrated leaks and so on, he managed to convince many Canadians that, "Hey, we are about to lose everything." It is akin to being told one's house has burnt to the ground and, if you rush home and find that only the furniture has been stolen, there is still an overwhelming sense of relief. We must all bow to the minister and the government's shrewd political instincts.

But let us step back a moment and survey the damage. The $8 billion in cuts to transfer payments that will hurt health, health care, education and seniors — with the worst yet to come — were left deliberately vague so that the truth is obscured by terms like "future negotiations" and "adjustments." The back of the deficit may not be broken, but the pain will certainly be felt by Canadians everywhere.

Honourable senators, the challenge of eliminating the deficit is a big one. Atlantic Canadians realize that. We do not mind doing our part to put Canada's finances in order, but we need to know that the burden is being shared fairly. When I look at the cuts to unemployment insurance, to defence and to transfer payments, I do not get the sense that this budget passes the test of regional fairness. For instance, in the last budget, the Liberals announced cuts to UI that discriminately punished Atlantic Canada relative to other regions of the country. Of the $2.4 billion which was cut from UI in the last budget, $634 million came from Atlantic Canada. That means that Atlantic Canada, with only 8 per cent of Canada's population, endured 27 per cent of the cuts to UI. Over $195 million of these cuts came from my home province, New Brunswick. Well, this budget continues in the same trend, honourable senators, with unemployment insurance getting hit for another $700 million. While the Main Estimates did not provide regional breakdowns, we can anticipate how this measure will hit Atlantic Canada.

• (1540)

I also want to take a moment to draw the attention of the Senate to the elimination of the Maritime and Atlantic freight subsidy. These are programs to allow Atlantic Canadian businesses to sell their products to other Canadians. The freight subsidy does not compensate for the disadvantage of higher transportation costs for Atlantic producers. Even with it in place, our businesses face much higher costs to get their goods to markets, but it helps. It is a hand up, not a handout, part of a program designed to ensure that Atlantic industries can compete fairly and that Atlantic Canadians can make a living.

Honourable senators, as of July 1, that program is gone. In its place, the federal government has created a pool of money from which five provinces will draw over five years. I know this will be the government's response to the cries of dismay over the loss of this vital program, the Transportation Adjustment Program.

Here is what the money allocated to that program will mean: If New Brunswick were to receive half of the money, it would be able to build about 17 kilometres of four-lane highway each year for the next five years. That amounts to a total of about 85 kilometres in highways. This will be the total benefit to New Brunswick if it gets half of all the money allocated to the adjustment program — 17 kilometres a year for five years. After that, it will receive nothing.

What will the Atlantic region lose when it loses that subsidy? Without the subsidy, freight rates will rise by between 35 per cent and 40 per cent. Let us make no mistake: many businesses will not survive such an increase. In 1983, independent consultants found that without the subsidy, some 12,000 jobs would be lost. I ask honourable senators what their reaction would be if the government had announced in this budget that it was taking measures that would cost Ontario 80,000 jobs? That is the kind of hit we are talking about in Atlantic Canada.

The decision to end the subsidy is about to devastate the Atlantic economy. Last year, David Ganong of Ganong's Chocolates said that the subsidy was critical to the ability of his company to compete, and extremely important to future investment in their New Brunswick plant.

John Wheatley of Lantic Sugar, for whom transportation is a major cost component, said last May that without the assistance Saint John would lose 200 to 300 direct jobs, with a corresponding $15-million payroll. He said that the city would lose 20 longshoremen jobs and 15 to 20 vessel visits a year, as well as a loss in local purchases of $10 million. Honourable senators, there will be a loss in capital spending, which has amounted to $25 million over the last 10 years. Saint John will lose $8 million per year in transportation-related employment.

Fred Beairsto of Petrofab stated that without the subsidy, Petro Fab would likely be forced out of business altogether. Similar statements have been made by representatives of the Maritime Lumber Bureau, the Atlantic Division of the Canadian Manufacturers' Association, and many others in the lumber and manufacturing industries.

There were also grave concerns about a snowball effect, whereby the loss of one producer forces others to seek their components outside the region, something which would force their costs too high to survive. The entire transportation network, including ports and rail, will be placed in jeopardy.

While the citizens of the Port of Saint John watch their customer base collapse, what are they to think of the millions of dollars our government will continue to pour into ice-breaking

operations in the St. Lawrence Seaway when the Port of Saint John remains open all winter? This is an enormous underwriting to the cost of shipping to Ontario and can actually be classified as a transportation subsidy to producers in Ontario. What does this say about the fairness of this budget and this government?

We have in this little measure the potential to create a regional recession. This decision, not surprisingly, was made without consultation with the Atlantic Provinces Transportation Commission, despite its repeated entreaties to the Minister of Transport.

Honourable senators, I will close by returning to a point I have mentioned before and will continue to raise since I believe it is critical to the future of the Atlantic region. We have a problem of regional disparity in our country. Is it a problem we want and need to address? According to our rhetoric, yes.

What, then, is our plan? How does this government propose to make the Atlantic region of Canada full and prosperous partners of Confederation? They say they do not want to give handouts. That makes two of us, as we do not want to receive them, either. However, we want to have the playing field levelled, and we want to have our concerns addressed. We want to know that regional development is not just an election slogan but an important goal of this government.

To date, so much of the evidence of this government points to some inescapable facts. They have no plan for Atlantic Canada. It is not a priority — it is barely a concern. Measures will be implemented without consultation or even consideration of their effects upon us. Where are the 31 voices representing Atlantic Canada?

This is the reward Atlantic Canadians receive for supporting this government rather than embracing parties of regionalism or separation. It is not even to be ignored. No, it is far worse than that — it is to be betrayed.

Honourable senators, when measures such as this take place, I wonder how much longer the patience and the sense of compromise and fair play of Atlantic Canadians can be taken for granted? How many times will this government hurt Atlantic Canada before there is nothing left of the ties that bind our nation together?

As this government dismantles the support for transportation links between Atlantic Canada and the rest of the nation, it is dismantling one of the founding principles of Confederation. What will take its place? What does this government propose to build to replace what it now destroys? What is its plan for Atlantic Canada? Is anyone over there really listening?

**Hon. David Tkachuk:** Honourable senators, this afternoon I wish to talk about the budget of February 27, the Liberals' second attempt to chart an economic course for the country. I believe they have failed miserably. The previous year, some four months after the election, they charted a course built on their version of the country and their obvious belief that the building and repair of sewers, roads, bocci courts, duck ponds and hall-of-fame buildings in the Prime Minister's riding would somehow deliver the country from the attempt of the Conservatives to build a competitive economy for the next century.

In their neglect of the spiralling debt in 1994-95, the Liberals spent the year showering the country with their magnanimity, making available a $6-billion slush fund to every elected official, municipal and provincial who had the wherewithal and the linguistic skills to prepare an application form. The country accepted this wholesale patronage, the Liberals being adept at such dispensing of patronage not only to hard-working Liberals, some of whom are with us today, but to everyone who asks.

Meanwhile, their economic principles took a deft turn from the past, and the Prime Minister and his colleagues embraced the concept of the North America Free Trade Agreement. They began to promote vigorously its expansion to Chile. President Clinton embraced "the four amigos" line. They further promoted this previously alien Liberal concept to the Far East.

Some have likened the transformation to St. Paul's conversion on the road to Damascus — but not I. St. Paul's conversion was one of illumination, although my Jewish friend, Senator Ghitter, does not agree. He thinks St. Paul was a typical Liberal. Nonetheless, I, being a good Catholic, still call it illumination. The Chrétien conversion to free trade was no different from Trudeau's road to Germany. When Trudeau returned, he gave us wage and price controls, something the Liberals fought hard against in 1974. They fought it with the same fervour they fought the free trade agreement in 1988 and 1993. This transformation could be called enlightenment.

However, I have reason to distrust the Liberals because of their economic policies. The Finance Minister asked us to judge them on what they do. I do, because I long ago lost confidence in what they say. For example, in 1994 the same Finance Minister, Mr. Martin, said in his budget speech:

> Canadians have told us that they want the deficit brought down by reducing government spending, not by raising taxes. We agree.
>
> This is a two-stage budget, with fiscal projections only to 1995-96. But in terms of deficit reduction, the budget does not wait for the second stage.
>
> The decisions in this budget by themselves set us on a clear path to achieving the government's deficit target of 3 per cent of GDP by 1996-97.
>
> The 1994 budget set in motion the most comprehensive, fundamental change to government programs in decades.
>
> As reform of the social security system kicks in, more reductions in the UI premium rate will be possible.
>
> The reform of the Goods and Services Tax is being accelerated, with the House of Commons Standing Committee on Finance reporting its recommendations on a replacement tax by June. The goal is a tax that is harmonized with the provinces, fairer to consumers and less burdensome for business.

I know the budget that Mr. Martin presented the other day is meeting with favour amongst Canadians. However, time not only heals all wounds, but it also creates an opportunity for gaining knowledge. The more people learn about this budget, the more they will see the unfairness of it.

• (1550)

The other day, I was skeptical about the government's seven-to-one tax-to-cut ratio. The reason I was skeptical was because a large portion of the cuts were relegated to the future, not 1995-96. This year, there is only $4 billion, 3.3 per cent of operating costs; in 1996-97, it is 8.5 per cent, $9.3 billion. By 1997-98, it is $11.9 billion, but here we do not have an estimated deficit number as we do for 1996-97, which Paul Martin claims will be $25 billion, or 3 per cent of GDP. I assume that the third year of reduction will bring program spending to $100 billion, an 11.9 per cent decrease.

Where have we all heard this before, honourable senators? Turn to the 1994 budget, where the Finance Minister promised a $1 increase in taxes for every $5 in cuts. Remember that budget. He said he would save $700 million in 1994-95, and I give him that. He came in at $118 billion. However, in 1995-96 he promised to save $6.6 billion, and in 1996-97, another $9.7 billion. We have a total of the 1994 budget savings of somewhere in the area of $16.3 billion. I know some of the eyes are glazing over here, but I think it is important to look back and reflect at that 1994 budget because I think it will tell us what will happen with the 1995 budget.

The way I calculate it, total government spending should be down to $101.7 billion based on the savings they predicted last year. These are numbers from their budget — they certainly are not numbers from mine — in "The Budget in Brief," February 22, 1994, on page 3, if it does not pain the Liberals to look at it.

By fast forwarding to 1995 and 1996, on February 27, 1995, we hear the Minister of Finance say he is going to cut $4 billion this year, another $9.3 billion next year, and another $11.9 billion the year after, for a grand total of $25 billion. It is all in the future. By their own calculations, that should make program spending go down in 1997-98 to about $95 billion.

Let us rewind back to 1994-95 where we had savings of $16.3 billion. If you add this budget and next year's and last year's, we have $30 billion, from the Liberals' numbers. That is what Paul Martin has saved between the two budgets and what he has told the Canadian people he has saved. How do we reconcile all of these savings, which should result in an operating expense, by their numbers, not by mine, of $88.4 billion in three years? Have all of these savings evaporated? Are they all gone? Perhaps they have just repeated — and that is what I think they have done — the savings from last year.

Amazingly enough, there is some consistency in the two budgets where the numbers are the same. Revenue is the same. I am counting the revenue from the tax increases of last year and this year, giving a total of $8.3 billion, by their own admission. At this rate, the Liberals will have saved us $41 billion by 1998. If they keep this up, they will have saved us $82 billion by the end of their term. We will be awash in savings. Mind you, with extra taxes of $8.3 billion, the government will have to save at least $68 billion by 1998 or else their seven-to-one ratio is not a true statement in fact. That is what they will have to do, and those are their numbers, not mine.

We have forgotten the 1994-95 budget. We are focusing on this one. However, if we go back to "The Budget in Brief" and "The Budget Plan" of 1994, we will find all those numbers. To get to the seven-to-one ratio, because the revenue figures for both budgets are over $8 billion, they will have to save in the area of $68 billion. If we use the five-to-one ratio which was last year's number, they will have to save somewhere in the area of $41.5 billion. By Liberal math, we are only $11 billion away.

If I have some reservations, some distrust, some suspicion, at least my side of the aisle will understand. All this budget did is repeat things from the previous year and drop cuts to other jurisdictions. The people of Canada will feel the results, not this year, but next year and the year after.

On motion of Senator Bacon, debate adjourned.

## REVIEWING CANADA'S FOREIGN POLICY

### MOTION TO PRINT VOLUME I

### OF SPECIAL JOINT COMMITTEE REPORT—SPEAKER'S RULING

On the Order:

Resuming the debate on the motion of the Honourable Senator MacEachen, P.C., seconded by the Honourable Senator Hébert:

That the Senate order the printing, in its original format, of 500 copies of Volume I of the Report of the Special Joint Committee Reviewing Canada's Foreign Policy entitled "Canada's Foreign Policy: Principles and Priorities for the Future"; and

That an amount not exceeding $7,500 be allocated for that purpose.

And on the motion of the Honourable Senator Lynch-Staunton, seconded by the Honourable Senator Berntson, that the motion not now be adopted, but that the motion be referred to the Standing Committee on Internal Economy, Budgets and Administration. — (*Speaker's Ruling*).

**The Hon. the Speaker:** Honourable senators, last Wednesday, during debate on the motion of Senator MacEachen to order the printing of 500 additional copies of Volume 1 of the Report of the Special Joint Committee Reviewing Canada's Foreign Policy in its original format, a motion was moved by Senator Lynch-Staunton not to adopt the motion but to refer it to the Standing Committee on Internal Economy, Budgets and Administration. This motion was subsequently adopted.

[*Translation*]

Therefore, we began to ponder the original question. Perhaps confusion arose from the fact that the senators were unsure what kind of motion the Leader of the Opposition was proposing: Was it a motion to amend the original question or a distinct question?

[*English*]

There was no disagreement as to the admissibility of the motion itself. The motion was in order. According to rule 49(1):

> When a question is under debate, a motion shall not be received unless it is a motion to amend the question, to refer the question to a committee, to adjourn the debate, to postpone the debate to a certain day, for the previous question, or for the adjournment of the Senate.

Based on the wording of rule 49(1), of course, the motion of the Leader of the Opposition has the character of a distinct question. As such, if carried, there is no necessity to proceed to put the original question to the house as that question would have been superseded or displaced by the decision to refer the matter to a committee for consideration. The original motion to order the reprint of a committee report would no longer be before the Senate. It may presumably come before the Senate again once the committee has reported on this matter and the report itself becomes subject to a vote on concurrence.

It was agreed at last Wednesday's sitting that the Senate rescind the vote taken on the motion of the Leader of the Opposition so that the Chair could make a ruling. I therefore rule that the motion of Senator Lynch-Staunton is in order, that it is a distinct question and that if it carries, it will supersede the original motion that had been proposed by Senator MacEachen. I might point out that there are precedents in the Senate for such motions in the past. Barring an appeal to my ruling and, if no other senator wishes to continue the debate on the question proposed by Senator Lynch-Staunton, I will now proceed to put the question, which is as follows:

> That the motion not now be adopted but that it be referred to the Standing Committee on Internal Economy, Budgets and Administration.

[*Translation*]

**Hon. Jean-Robert Gauthier:** Honourable senators, I have a few comments to make regarding this proposal.

Being one of those who listened attentively to Senator Lynch-Staunton's comments on February 22 in which he stated the reasons he felt that the issue should be referred to a Senate committee, namely the Committee on Internal Economy, I asked myself many questions.

Because it is always useful to know a little about what is at issue, I asked Senate officials about the current status of these publications and the current demand. They informed me that of the original document in question, the French version of Volume I of the report was out of stock, that the House of Commons had already made 500 photocopies of it, which had all been distributed and that the Speaker of the House of Commons had decided not to authorize further photocopying of the report in question.

According to the officials, at present, only about 50 photocopies of the English version of the report are left. For close to 10 days now, they have been out of copies of the French version. I have had requests for it. I must admit that I am a little embarrassed because I do not wish to disregard the decision of the Commons' Speaker on the matter nor do I want to ignore the decision to debate this issue which was made by the Speaker of this house. Two points regarding this issue bother me.

On the one hand, section 133 of this country's constitution states that everything, which means documents, minutes of proceedings and journals, must be available in both official languages for Canadians.

As you know, honourable senators, the Official Languages Act also stipulates that all documents published by this house must be made available in both official languages.

However, it is impossible to get a copy of this report in French right now. I recognize the validity of the motion put forward by the Leader of the Opposition to have the Committee on Internal Economy consider the appropriateness of having this report printed.

If my information is correct, printing costs would be approximately $5,000 or $5,500 for 500 copies. Honourable senators, the House of Commons and the Senate have spent nearly a million dollars for this study by a joint committee of the House and the Senate.

We have now run out of copies and will have to wait a few weeks longer before getting any more. Not only are the House of Commons and the Senate scheduled to adjourn, but a decision must also be made later on. Once a decision has been made, the report will probably be reprinted. I hope it will be reprinted. This report was, after all, unanimously passed by all members and all senators, be they Liberal or Conservative.

I do not see the point of quibbling over whether it will cost $7,000 or $7,500 or whether we will have unanimous consent on both sides of the house. I think we had agreed on that. This report is the joint product of the two parties concerned here today. It is a good report, even if I might be boasting a bit in saying so.

MOTION IN AMENDMENT

**Hon. Jean-Robert Gauthier:** Honourable senators, to avoid any constitutional complications and any breach of the Official Languages Act, I propose the following amendment to the motion you have just submitted to the House:

> That the Standing Senate Committee on Internal Economy, Budgets and Administration report as soon as possible.

[*English*]

**Hon. Allan J. MacEachen:** Honourable senators, I have listened to the ruling of the Speaker, and I should like to study it further and to be enlightened as to the precedence before I make any informed comment about the ruling. However, the ruling itself is not really my main preoccupation. It is the subject-matter that is before us.

I have had discussions with the Leader of the Opposition, and it is understood between us that the matter is to go before a committee without prejudging the outcome. In other words, it will be examined by the committee in good faith and a report made accordingly.

My fear was that the intent of the motion was to prejudge the matter. Senator Lynch-Staunton assures me that that is not the intent of the motion, that it is merely to send the matter to the committee without prejudging the outcome. With that, I am quite happy not to oppose in any way the adoption of the motion and the amendment. If I thought it contained a prejudgment, then I would take a different attitude.

**Hon. John B. Stewart:** Honourable senators, I have nothing original to add, but I think that the procedural situation is an interesting one. As I understand it, Senator MacEachen put before the Senate what would be called a substantive motion; that is, it stands on its own. It is not part of a process like a second reading motion. We are then told that another senator may rise and move a second, distinctive substantive motion, notwithstanding that there is already a distinct motion under debate.

We are told now by the Speaker that this is the practice of the Senate, that there are precedents. I believe it would be good to have those precedents introduced. I am not asking the learned Speaker to rise and give us a learned discussion on the matter, but I am sure a statement could be prepared.

I ask for this because I think the procedural implications, if we use our imagination, could be quite intriguing for future procedures in the Senate.

**The Hon. the Speaker:** I thank the honourable senators for their comments. I will see to it that the precedents are produced and given to honourable senators.

The question before us is the amendment proposed by the Honourable Senator Gauthier.

Is it your pleasure, honourable senators, to adopt the amendment?

**Hon. Senators:** Agreed.

Motion in amendment of Senator Gauthier adopted.

**The Hon. the Speaker:** We are now back to the main motion. Is it your pleasure to refer the main motion, as amended, to the committee?

**Hon. Senators:** Agreed.

Motion agreed to, and main motion, as amended, referred to Standing Committee on Internal Economy, Budgets and Administration.

The Senate adjourned until Tuesday, March 21, 1995, at 2 p.m.

# THE SENATE

**Thursday, March 16, 1995**

The Senate met at 6:00 p.m., the Speaker in the Chair.

Prayers.

## ROUTINE PROCEEDINGS

### THE ESTIMATES, 1995-96

VOTES REFERRED TO STANDING JOINT COMMITTEES OF OFFICIAL LANGUAGES AND LIBRARY OF PARLIAMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

> That Privy Council Vote 25 and Parliament Vote 10 of the 1995-96 Estimates, which were referred to the Standing Senate Committee on National Finance on the 28th February 1995, be withdrawn from the said committee and referred to the Standing Joint Committee on Official Languages and the Standing Joint Committee on the Library of Parliament respectively; and
>
> That a message be sent to the House of Commons to acquaint that House accordingly.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

**Senator Graham:** Honourable senators, if I might explain the purpose of this motion, the House of Commons referred these votes to standing joint committees, and the Senate must also refer them accordingly before the committees can proceed with their examination. Thus, I am seeking approval to withdraw these votes from the Standing Senate Committee on National Finance and to refer them to the joint committee.

I will have other motions to follow.

Motion agreed to.

### THE ESTIMATES, 1994-95

NATIONAL FINANCE COMMITTEE AUTHORIZED TO STUDY SUPPLEMENTARY ESTIMATES (D) FOR YEAR ENDING MARCH 31, 1995

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (D) for the fiscal year ending March 31, 1995, with the exception of Parliament Vote 10d and Privy Council Vote 25d.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

VOTE 25D OF SUPPLEMENTARY ESTIMATES (D) REFERRED TO STANDING JOINT COMMITTEE ON OFFICIAL LANGUAGES

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

> That the Standing Joint Committee on Official Languages be authorized to examine the expenditures set out in Privy Council Vote 25d of Supplementary Estimates (D) for the fiscal year ending March 31, 1995; and
>
> That a message be sent to the House of Commons to acquaint that House accordingly.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

VOTE 10D OF SUPPLEMENTARY ESTIMATES (D) REFERRED TO STANDING JOINT COMMITTEE ON THE LIBRARY OF PARLIAMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

> That the Standing Joint Committee on the Library of Parliament be authorized to examine the expenditures set out in Parliament Vote 10d of Supplementary Estimates (D) for the fiscal year ending March 31, 1995; and
>
> That a message be sent to the House of Commons to acquaint that house accordingly.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

### WEST COAST PORTS OPERATIONS BILL, 1995

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-74, respecting the supervision of longshoring and related operations at West Coast ports.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 57(1)(*f*), I move that this bill be placed on the Orders of the Day for second reading later this day.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Before obtaining a decision on leave for second reading, honourable senators, I should like to point out that it is unfortunate that so few of our colleagues from the west are with us tonight to discuss this important matter, the reason being, of course, that the notices calling us to this meeting were received less than 24 hours before this meeting started. While that is respectful of the rules, and the issue is within the public interest, it does mean that the Senate has once again been treated by the House of Commons as an unnecessary adjunct which must move at the pace of that other place.

I do not want to get into a discussion on the annoyance that we must all feel. However, I do think that there is reason to tighten up our rules with respect to being recalled before the agreed-upon resumption date, and that at least 48-hours' notice should be given.

• (1810)

The second suggestion I should like to make is that the purpose of the special meeting be included in the notice to members so that, at least, we can be briefed ahead of time on the topic which is to be discussed. As it were, we learned of the circumstances only through the newspapers this morning or through television late last night. I hope that we can have a solid discussion on the bill which is to come before us.

The government has certainly moved hastily on this matter. I am not pointing a finger at the Leader of the Government. She probably did not have much choice in the matter, unless she wanted to cause disruption within her own caucus and cabinet. However, it is a rather cavalier way of treating this chamber, and I think we deserve a little better than that if we are to be responsible for studying legislation as seriously as we try to do.

**The Hon. the Speaker:** With leave of the Senate and notwithstanding rule 57(1)(*f*), it is moved by the Honourable Senator Graham, seconded by the Honourable Senator Gauthier, that this bill be placed on the Orders of the Day for second reading later this day.

Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

# ORDERS OF THE DAY

## WEST COAST PORTS OPERATIONS BILL, 1995

SECOND READING

**Hon. Joyce Fairbairn (Leader of the Government)** moved the second reading of Bill C-74, respecting the supervision of longshoring and related operations at West Coast ports.

She said: Honourable senators, first, I should like to thank colleagues on both sides of the house for answering the call to attend tonight's sitting. I am cognizant of Senator Lynch-Staunton's comments about the shortness of notice for this very special sitting. I acknowledge as well that it is not convenient, however, it is also not convenient to have the largest port in our country closed, with ships idling in that port and shipments of goods from Canada and abroad being held up.

As my honourable friend has noted, it is within our rules to recall this house during a time of emergency or crisis. I would note, for the benefit of my friends, that the closing of the port did not occur until Tuesday night. It was the decision of the government that action had to be taken immediately, and that action commenced yesterday in the other place. From the standpoint of public interest, one really had an obligation to ask members of this place to come at the earliest opportunity in order to debate this legislation and hopefully to pass it.

The involvement of this house, of course, is important to the parliamentary process. Again, I thank all honourable senators who have made the effort to be here. I realize that some of our colleagues are on important Senate business outside the country. I also know that for many the distances are great. It is possible to get here, although perhaps not convenient. However, I think that our duty will be upheld by those in attendance tonight.

Bill C-74 is legislation to deal with the failure of the collective bargaining process at our West Coast ports. If that failure is not addressed quickly by Parliament, the damage to the welfare of our grain farmers and, indeed, all of those shipping out of West Coast ports, as well as to our international reputation as a reliable trading partner, will be severe.

To give this house some background information, the dispute that has given rise to Bill C-74 involves the International Longshoremen's and Warehousemen's Union, Local 514, which represents 485 longshore foremen, and the Waterfront Foremen's Employers' Association, which represents 16 companies operating in the Port of Vancouver as well as on the dock sites in Prince Rupert and the Fraser River. Six of the companies have stevedoring operations, six are general wharf operators, while the remaining four companies are bulk cargo operators.

The most recent collective agreement between these two parties, which was concluded with the assistance of a conciliator, expired on December 31, 1992. Since then, the employers' associations and the union have pursued various avenues in an attempt to fashion an agreement. The failure of direct negotiations led to the appointment of a conciliation officer from the Federal Mediation and Conciliation Service on August 5, 1993. The officer worked with the parties from September of that year until March of 1994. For a short period in March last year, direct negotiations resumed. However, conciliation meetings began again in April and continued until last August. During the conciliation phase, 20 meetings were held and many of the major issues were, in fact, resolved. Unfortunately, a final comprehensive agreement could not be reached, and on September 16, 1994, the conciliation officer filed his final report.

The following month, in October, the parties were advised of the Minister of Labour's decision to appoint Dr. Mark Thompson as Conciliation Commissioner in the dispute. Dr. Thompson, a professor of industrial relations at the University of British Columbia, held five meetings with the union local and the employers' association over the next four months. Again, although a number of issues still in dispute were resolved, a final agreement remained elusive.

The two major stumbling blocks were the increasing of retiring allowances paid to longshoremen leaving the industry and the changing of so-called "side documents" relating to certain labour practices that the union had with three member companies of the employers' association.

On January 31, Dr. Thompson filed his report to the minister who, in turn, on February 10, released it to the parties. At that time, the minister urged both sides to seriously consider using the report as a basis for settlement.

In his report, the commissioner states, among other things, that there is "a climate of hostility" between the parties, adding that the association members, the employers, "believe that the union is unwilling to react to economic changes in the industry," while the union sees employers "trying to undermine their position in the collective agreement, in particular with regard to employment opportunities."

He concludes that:

> There was no indication that the parties are willing or able to work together creatively to resolve their problems.

While the employers' association indicated general acceptance of the recommendations contained in the report, the union expressed very strong reservations. Thus, on March 10 the two parties held their final meeting but could not reach a consensus.

On March 13, the employers' association announced that, effective the following week, it would implement the terms and conditions of the conciliation commissioner's report. That same day, in response, union members walked off the job but at that point indicated that they would allow grain shipments to move through the ports. Two days later, at 1:00 a.m. on March 15, the employers' association initiated a lockout, thereby effectively shutting down the ports.

**Senator MacDonald:** Was that 1:00 p.m. Vancouver time?

**Senator Fairbairn:** It was 1:00 a.m. on March 15.

That is the current situation, honourable senators. Nothing, including grain, is moving through our western ports.

Last March, 1,336,000 metric tonnes of grain were shipped out of the Port of Vancouver. In that one month, the total for all commodities shipped out of Vancouver was 4,750,000 metric tonnes. Clearly, a prolonged shutdown would be devastating, not only to our grain growers across Western Canada, but also to a wide number of other economic entities that depend on export markets for their survival.

The Vancouver Port Corporation indicated yesterday that 28 ships were idle in Vancouver Harbour and that a further 17 ships were expected to arrive in port in the following three days. It has been reported in the media that the shutdown could lead to an estimated revenue loss to the port of $1 million per day in the container business alone.

Honourable senators will recall that last February we were faced with a very similar situation because of a dispute between the British Columbia Maritime Employers' Association and the International Longshoremen's and Warehousemen's Union, Canadian Area. At that time, collective bargaining broke down and the union instituted a lawful strike but offered to continue to move grain and other perishable commodities. When the employers' association then responded by locking out the union membership on January 29 last year, all shipping activities on the West Coast were brought to a halt. They were brought to a halt during the peak market period for our grain exports.

Parliament responded by passing Bill C-10 on February 8, which legislated the resumption of port operations, provided for the appointment of an arbitrator, and instituted a final offer selection process. That was in February of last year.

Today, one year later, although the parties are different, the result of an unsuccessful collective bargaining process is the same.

At a time, again, when grain exports are hitting record levels, we have lost our ability to make deliveries to our overseas customers. A prolonged work stoppage could prove disastrous to our western agricultural economy. The reputation of the Port of Vancouver is also at risk. To make matters worse, the reputation of that port is placed at risk at a time when we are facing increased competition for container traffic with U.S. West Coast ports willing and eager to move our products.

When Bill C-10 was before us last year, Senator Lawson from Vancouver said:

> Many countries are willing and anxious to displace Canada if we cannot honour our contracts and meet our commitments, whether we are talking about wheat, coal or any other product. In this highly competitive, shrinking world of trade and free trade, we have no lock on those markets.

Honourable senators, that reality has certainly not changed with the passage of a year. If anything, it has become more pronounced. Consequently, in dealing with this most current shutdown of West Coast port operations, the government has decided to adopt an approach that will deal with the immediate situation, as well as the longer-term concerns we face as a major trading nation.

Bill C-74 is designed to address our immediate problem. It would require the resumption of port activities within 12 hours of receiving Royal Assent in Parliament. It provides for the appointment of a mediator-arbitrator, who would begin by trying to mediate the remainder of the matters which are in dispute. If that proved unsuccessful, the mediator-arbitrator would render an arbitral award on those outstanding matters, following representations by the parties.

In making a final determination, the mediator-arbitrator would be required, under the bill, to take cognizance of the report of the conciliation commissioner, Dr. Mark Thompson. A new collective agreement flowing from either the mediation process or the arbitration phase process would cover the period from January 1, 1993, to at least December 31, 1996.

The government believes that the appointment of a mediator-arbitrator represents a fair and balanced approach to this strike and lockout. Such an approach has been used in previous back-to-work legislation, such as the Thunder Bay Grain Handling Operations Act of 1991, the British Columbia Grain Handling Operations Act of 1991, and the Government Services Resumption Act of 1989.

Honourable senators, this legislation will solve the current dispute. However, as my colleague the Minister of Labour indicated in her speech in the other place last night, we need to find a long-term solution. This is the second time in little over a year that we have had to legislate settlement in this port. These disputes indicate that there is something fundamentally wrong with how the collective bargaining process is organized in the British Columbia ports.

For this reason, the minister has stated her intention to appoint an industrial inquiry commission. That commission will provide information and advice on how the parties involved in the movement of cargo through the ports can bargain collectively without having to resort to shutdowns and lockouts; actions which threaten our competitiveness and our credibility as an exporter, and which require the repeated intervention of this Parliament to force settlements with which, I believe, no one in this chamber is comfortable.

• (1830)

When we had Bill C-10 before us last February, Senator Gustafson said, and I quote:

> Certainly we need collective bargaining, but there must be some type of settlement which could be negotiated that would not cause the country to be choked in the way it is being choked in this case. We must look at other ways.

Honourable senators, the Industrial Inquiry Commission will be mandated to do exactly that — look at other ways to resolve collective bargaining disputes at our nation's sea ports. In my view it is long overdue in terms of ensuring that those ports retain a viability and a competitive advantage for Canada.

Today, we have a duty to help those in this country who make their living through trade to get to their markets. Our customers in Asia and the Pacific Rim have been watching the events of this dispute closely this past week. Our competitors are also watching closely. Tacoma and Seattle, Washington, are raising their hands and saying, "Come on down, Canada. We can move your products."

Honourable senators, we have in Vancouver one of the finest ports in this world. We must prove to the world that we can make it work and that Canada can be relied upon to keep its word and to fulfill its commitments. This is not simply a Vancouver issue, nor is it simply a western issue; it is a national issue.

In the public interest of all Canadians, I urge colleagues on both sides of this house to pass this bill tonight so the Port of Vancouver will be back in business tomorrow.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I have no doubt that this bill is in the public interest. I am not here to assess blame as to why the West Coast ports are shut down. We have a work stoppage, and it is a situation this country can ill afford.

Honourable senators, this is the second significant work stoppage that has closed the ports and literally the West Coast in a little over a year. However, there are a couple of significant differences in the approach taken by the government this time as opposed to last time.

A year ago Mr. Axworthy indicated a desire to let the collective bargaining system work, which is why he let the port remain idle for 12 days. He said:

> As one who strongly believes in collective bargaining, including the rights and responsibilities it places on the parties, I was reluctant to allow the two parties to abdicate their responsibilities to the Canadian public.

He said that in the *Debates of the Senate* on February 8, 1994. Today, one year later, the same government has enacted back-to-work legislation 15 hours after the stoppage began.

Once again, honourable senators, I am not passing judgment as to which approach is the best, but there seems to be a different approach this time as opposed to last time. This is only one example.

Another example relates to final offer selection as opposed to mediator-arbitrator solutions. Approximately one year ago Mr. Axworthy, during second reading on Bill C-10 said:

> Members may ask why a final offer selection in this particular case? The provision of final offer selection procedures puts the onus back on the parties and once again requires them to make clear, economic, rational decisions on behalf of their members, the companies and the public interest at large.
>
> To do otherwise, in my opinion, would curtail the responsibility and onus of each of the parties in this dispute.

The minister goes on to suggest that final offer selection would send a message to other parties currently in negotiations.

> It would provide a message to other parties who are beginning to engage in collective bargaining... to rely on their own best efforts to resolve their differences and come to a conclusion. We will not provide a constant crutch for them...

That was Mr. Axworthy, once again, in February of last year.

The minister during Committee of the Whole proceedings actually indicated that final offer selection should be used in future cases. He said:

> I would argue that it is very important to use final offer selection for the cases to follow. If we simply... went back to the traditional forms of arbitration then it would once again be a crutch that they could rely on.

Honourable senators, with Bill C-74, final offer selection is nowhere to be found. We are back to the old traditional approach.

The other point to be made — and one which has already been touched on — is the question of Canada's reputation as a reliable trading partner. The Port of Vancouver is Canada's main source of export to Asia and Pacific Rim markets. Over the past year the government has devoted considerable energy to promoting trade with these countries. However, it is well documented that these labour disputes and shipping disruptions have shaken our reputation abroad. Once again, in last year's debate, Minister Axworthy said, with regard to the strike action:

> The reputation of Canada as a reliable shipping partner has been put in some jeopardy...

During debate on Bill C-74 last evening, the Parliamentary Secretary to the Minister of Human Resources Development indicated that the government representatives are being told that Canada's reputation was suffering. He further stated:

> Some of our customers have questioned our reputation for consistent and timely delivery of quality grains and oilseeds.

He went on to indicate that the Minister of Agriculture had been in Japan, Korea, China and Hong Kong last April and May, and to say:

> While there he was told face-to-face by some very angry customers that they were not happy with Canada's performance. The message was clear. We had better clean up our act or our customers would find other suppliers.

Once again, that comment comes from the Hansard of March 15, 1995.

A year ago, honourable senators, we were promised, as we have been promised several times since, that long-term solutions would be found to these disruptions that seem to happen on a semi-regular basis on the West Coast. Not only do we have concerns relative to our reputation abroad, but our people are losing confidence in this system as it relates to their ability to deliver to those customers abroad. I point to a recent announcement by Canpotex, the umbrella offshore marketing association for the potash producers in Saskatchewan. Two or three weeks ago, it announced the development of a $20-million handling facility in, I believe, the Port of Seattle to move their potash out through the state of Washington, as opposed to the Port of Vancouver. My recollection of the design is that the initial capacity will be about one million tonnes a year, going up to five million tonnes a year. That is a significant piece of economic activity that we have exported, as well as the potash.

If you were to talk to many of our producers and grain-handling companies in Canada, you would find that they are exploring ways around this regularly imposed bottleneck on the West Coast.

Once again, I am not here to assess blame; I am here to urge again that we find some mechanism, some long-term solution to the labour strife situation which regularly occurs on the West Coast.

We have had promises in the past that something will be done in terms of finding a long-term solution. It simply has not worked. Whatever has been tried — if anything has been tried — it has not worked. Once again, there are promises: We heard them yesterday during second reading debate in the House. As the Minister of Labour stated yesterday in the House of Commons:

> This is the second time in little over a year that Parliament has had to intervene in a dispute involving the West Coast ports. This would seem to indicate that there is a basic problem in the structure of the collective bargaining in the B.C. ports.

The minister went on to promise that a special board of inquiry will be formed to examine this question, and that she is personally committed to finding a long term solution to this problem.

I hope that this minister's actions will speak louder than her words, unlike those of her predecessors.

**Hon. H.A. Olson:** Honourable senators, I want to make a few brief comments about this particular work stoppage. As has been pointed out by the Leader of the Government, and also by the Deputy Leader of the Opposition in the Senate —

**Senator Berntson:** A close friend and colleague.

**Senator Olson:** Yes, my close friends and colleagues have pointed out that this stoppage will have very serious economic consequences, whether it lasts for a few days, a few weeks, or any length of time at all.

As has been pointed out by my colleague on the other side and by the Leader of the Government, as well as by the Minister of Labour, we have here a very pointed reminder that Canada's reputation is at stake as a reliable supplier of high-quality agricultural and other products. We will not be able to maintain our usual supplier-customer relations in the world if we do not find a solution to the basic problems underlying this particular work stoppage.

It is important for members of this house to know how this problem manifests itself, and although I do not pretend to be an expert on all labour-management relations on the West Coast, I will tell you about one aspect. We must realize that the collective bargaining process and the conciliation officer's report did deal with all of the outstanding problems within reason, if I may use that expression. They have agreed on everything, including the wage. Both sides accepted the "three plus three plus three" formula.

However, the problem that exists in this situation boils down to something else, and I understand why the minister in this house and the minister in the other place will not say it. I am a little more free, and I can state what I have found to be the fundamental reason, or at least the excuse, for this work stoppage. The excuse is that they could not agree on how many foremen were needed. In some cases, it is down to one foreman over two other employees. In certain instances, that may be reasonable; however, in most cases it is unreasonable. It sets up a cost factor for the hiring of foremen over other workers which the companies feel they simply cannot accept. They feel that they cannot remain competitive if they must meet that demand.

If that is the only issue, why could they not reach an agreement? This whole situation is unfortunate. Beneath that issue lies another small reason. Apparently, the union wants these conditions to be forced upon them by an act of Parliament. In other words, they would rather have it settled in that way than agree to it themselves. That is too bad. In many respects, that is ridiculous.

I took very seriously the words of the Deputy Leader of the Opposition, my good friend and colleague. Since he is advocating that some action be taken to avoid these kinds of problems, I presume that means he will wholeheartedly support any reasonable change in the labour-management relations legislation when we come to deal with such things.

As the Minister of Human Resources Development said last year, we do not want continually to be involved in settling labour-management disputes in Parliament, neither on the floor of this chamber nor in the House of Commons. It is perfectly legitimate for him to suggest that we do not relish that kind of procedure. It is far better if the parties can negotiate an agreement amongst themselves.

However, it seems to be our task to modify the rules, the legislation, and the law which sets out the methodology and the terms and conditions under which these parties can negotiate their agreements. On the West Coast, it is apparent that the present rules are not working, or, at least, are working imperfectly. We need to solve that problem. We will likely pass Bill C-74 tonight, and it will solve the problem for today, or perhaps even for a few days or a few months.

However, as the conciliator pointed out, there is a spirit or an atmosphere of hostility in these negotiations and within several other disputes which are presently taking place. We must address this problem with reasonable changes in the law so that that hostility can be removed from the system. It is that hostility which causes the whole system to be inadequate in dealing with such situations as they arise.

I made some inquiries of a number of people on the West Coast when I heard we were to be called back to try to settle this matter. I was told that, in the eyes of some very reasonable people who observe the labour-management relations in the Port of Vancouver, there probably are too many foremen now. Yet the foremen's union is holding out the proposition that they need still more men in place and that they want to change a number of other factors related to that. That adds up to a serious cost-of-operations factor which takes Canada out of the competitive area.

I am very apprehensive about these labour stoppages on the West Coast. About 12 years ago, Canada was involved in a situation with respect to the supply of coal, particularly metallurgical coal, into the Pacific Rim countries. There was one very large factor among several others affecting our ability to negotiate a number of things, including the cost of building the mines, the townsite, the railroad and the port loading facility at Ridley Island just south of Prince Rupert: That factor was the extreme unhappiness of those customers with the reliability of supply of the same kind of metallurgical coal coming from one of our sister Commonwealth countries, namely Australia. It was a difficult decision.

• (1850)

In Australia's case, that coal was mined less than 100 miles from export position or from tidewater. There is no doubt they had a better competitive position than Canada with regard to cost of transportation from mining site to export position.

However, we were able to negotiate with a number of countries, particularly Japan. There were others. A favourable arrangement for long-term tonnage and prices would warrant the several-billion-dollar investment in Canada. If you do not think it can happen because of unsatisfactory labour-management relations, all we need do is look around a bit. It has happened before in Australia.

I do not know how much Canada's reputation has been damaged because of these types of work stoppages. I know that a year ago, when the Minister of Agriculture was in Asia, he was told a number of times that some of our customers were unhappy

with the reliability of supply on a steady basis. Fortunately, it would appear that we have been able to re-establish ourselves as a good supplier because we are breaking all records again this crop year with the amount of tonnage travelling through the West Coast ports, particularly to Asian markets. I do not have the numbers in front of me, but I believe we are up between 25 and 30 per cent over and above the highest year in history. That is extremely important to Canada.

In fact, we are at the stage where some United States farm organizations are beginning to complain again about Canadian wheat being exported into their country. I do not think the American government has taken any overt action with respect to those complaints, as happened last June and July. I refer to both of the major U.S. farm organizations representing grain farmers, and wheat farmers in particular. I hope that a number of senators from both sides of this house, who I believe are in Washington this week, will get an explanation of what it is they are so concerned about so that we can find a solution to that problem too.

I should like to say a word or two about Senator Berntson's comments to the effect that this is a different approach from last year's settling of the work stoppage. I do not think there is much difference. The situation is about the same. Whether or not there is final offer selection as the last resort is important if you think that is the only way of solving these matters.

Honourable senators, some of the basic, fundamental circumstances involved in this particular work stoppage are a little different than they were a year ago. Therefore, it calls for a different response.

In closing, I must say — because I do not think any of my colleagues in government ought to say it — that there are some unreasonable people out there trying to use the legislative process for a purpose for which it was never intended. The legislative process should be regarded as a last resort in dealing with such matters and where possible should be avoided. I agree with what the minister said a year ago, that we should not get into it and should try to let the collective bargaining process work. That has been the response of the government to date. It may be argued that they waited one day or five days too long; that is a matter of judgment. There is something fundamentally wrong when the parties prefer a settlement by legislation rather than by working it out themselves. I hope that when the time comes to find some better way — so we can avoid travelling this far down the road to a labour stoppage — honourable senators opposite will do as Senator Berntson has suggested and give us their whole-hearted support in getting that legislation passed.

**Hon. Senators:** Hear, hear!

**Hon. J. Michael Forrestall:** Honourable senators, I have three or four questions to pose to both the Leader of the Government in the Senate and to our resident expert, Senator Olson.

I am concerned as to whether or not a fundamental change in policy has been enunciated in this legislation. Some of my concern was expressed by my deputy leader. I draw the attention of senators to clause 13 of the bill, and I will leave it at that.

We are breaking away, I think, when we exclude part of the penalty. It makes the $100,000 fine look rather weak if we take away the "in-lieu-of-jail-or-imprisonment" part of the penalty.

I have some concern about this chamber being used — and indeed I had the same concern for many years while in the other place — by individual members to serve behind the scenes, by one means or another, to resolve matters in dispute. The question of foremen and the numbers that are needed is properly a matter that should be discussed between the appropriate bodies. It is not a matter for us to discuss. This is a serious piece of legislation, and it is not for this place to discuss individual items. Therefore, I have some regret that the matter even came up.

I was aroused at 10:00 or 10:30 last night by a phone ringing and again an hour later by a fax running, both of which were to tell me that I should return to Ottawa. I did not have any idea why. I heard something about the matter on the news this morning as I was driving up to Dorchester. I believe drafters of legislation should be lodged on site to work out some of these problems. We are getting dangerously close to making law based on the value of cargo. Someone suggested that this dispute is costing $1 million a day. For the edification of the Leader of the Government and other senators, my own Port of Halifax is picking up $1 million a day at the expense of the Port of Montreal for the same reason. Due to the withdrawal of service, Montreal is shut down.

However, grain is probably more important than the cargo moving through Quebec. I have not heard any reference to the Port of Montreal or the East Coast situation in the last 24 hours, and I wonder why. I also wonder what in God's name would happen in this country if Saint John and Halifax said, "We don't want your cargo. Take your container ships elsewhere." Where would they take them?

I have serious concerns about the interpretation of "final offer" and the way we are playing with that expression. I suggest that it is dangerous. I think this procedure is precedent-setting. I have never seen it done before, although Senator MacEachen, and some others who have served long and faithfully in the other chamber, may have seen it done. I have not seen such a play with the words "final offer" as we seem to be experiencing here. However, I must admit that I have not had a great deal of time to study the bill, having received it only 10 or 15 minutes ago.

My concern is that, with this kind of legislation, we are continuing to tell the Canadian public that we have a problem which must be dealt with today; that tomorrow we will make better laws. However, we never carry through with that promise. It is a sham; it is a shallow promise, and it is somewhat repulsive to me.

I used to join in the pounding of desks and applause and say, "By God, there is guts." I have said that of both Liberal and Conservative administrations, both provincially and federally. Yet, in the days, the weeks, the months and the years following those promises, nothing has happened.

There is no doubt that we must do something about such situations. I wonder who has thought for even five minutes about the plight of the those carriers who use the Port of Montreal. Granted, although they do not have Saint John available to them, they still have Halifax, but what would happen if they did not have Halifax?

Suggestions that Canada is not a good provider and a good supplier are a lot of nonsense. This is my thirtieth year in public life in the Parliament of Canada. I have heard that argument used every year for those 30 years, and I tend to get a little touchy when I hear it because we are not sincere in what we say about such situations as this. We do not mean what we are saying. We think we do, but in reality we do not, and our actions prove it, over and over again.

My charge to the Leader of the Government is rather simple, and I will give her notice. I will ask her in 60-days' time what her colleague in cabinet has done to improve this situation.

**Hon. John G. Bryden:** Honourable senators, I have a few brief comments to make. They do not deal so much with specific items in the bill but respond generally to some of the issues and questions which have been raised.

The question was asked why we would be taking this sort of action in relation to the West Coast ports and not to Montreal. I do not know specifically why that would be the case. However, I do know that it may very well be based on the general principles of collective bargaining.

In our society, as we are all aware, the right to organize and bargain collectively is one of our most sacred and protected rights. Parliaments and governments interfere with those rights very rarely because they are so sacred. The collective bargaining process is, by its very nature, based on an economic balance of power. Employees have the right to organize and bargain collectively, and to withdraw their services. The employer has the right to continue to do his business and make his profit as best he can.

Since collective bargaining began, the only time that governments are ever justified in interfering with those rights is when there is an overriding public interest. It would appear, from what has been said here and from what I have been able to read of the discussion in the other place and in the media, that one of the reasons government and parliamentary action is required is that the overriding public interest in our global economic situation requires interference in that basic democratic right.

The question was asked why, on the last occasion, a final offer selection was chosen and recommended as the method to settle these disputes, while in this instance mediation and possibly arbitration is being recommended. Having practised in the field of labour-management relations for a long time, I can suggest that each case must be addressed on its merits and that there is no all-embracing panacea. Even though a minister said last year that this was it, there is no magical panacea which works in every instance.

One of the reasons that mediation and arbitration were chosen in this instance may be that there has been a great deal of negotiating progress made. There has been a great deal of progress made at the conciliation report level. It appears, from the discussion here tonight, that the issues are very narrow. Indeed, this bill directs the mediator-arbitrator to take into account the findings that have already been determined by the conciliation report. Whether or not that is correct, I suggest that the judgment has been made that this is a proper case in which a mediator-arbitrator can fine tune that to which the parties have already agreed and bring a solution.

My colleague on this side questioned why we are in this situation if the issue is only to determine the number of foremen required. In some instances, foremen are supervising only two or three people. It is very difficult for Canadians to get their heads around why a port would be losing millions of dollars a day over such an issue.

• (1910)

The answer is that it is not unusual to have a small "p" political solution in circumstances like this and to have someone from the outside come in. In some instances, an arbitrator can handle things; in others instances, it requires government action or parliamentary action.

This type of thing does not happen just with labour unions. For example, why do corporations in all kinds of industries require government intervention before doing what they know must be done to make adjustments to their plants and equipment to protect the environment? The answer is that they do not want to account to the shareholders for the $500 million that they have invested in tertiary pollution control unless they have been required to do it because it results in a reduction of the per-share profit. It is not dissimilar psychological thinking that is involved here.

The suggestion is always made that there must be another way. Surely, there must be. However, many wise people, from Mr. Justice Ivan Rand many years ago right up to the present, have tried to devise a better system for balancing the interests of the worker and the interests of capital. This system works. It does go off the rails sometimes, but somehow, for the most part, it works. We never hear about the ones that work.

It may be the case that there is no wonderful, greater solution out there. The solution may be that Parliament must carefully use its authority to interfere, as it is being asked to do now, in those instances where the greater good of the public must override the basic democratic rights of the employers and employees who are involved in the struggle.

I wish to make one final comment in relation to the suggestion that the $100,000 fine against unions and employer organizations is weakened because there is no proposed jail sentence in lieu of paying the $100,000 fine. Once again, that may be wise. If this matter goes before the courts, the courts will take a view of what, in their opinion, is reasonable. If it is clear that a union organization, the executive or an employer organization cannot immediately pay the $100,000 fine, the court would have no discretion left but to hand down a jail sentence. As many who practice law will know, sometimes the courts in those cases will find some way to find the person not guilty.

It is also the case that this is an economic struggle, for the most part. It is not criminal in the ordinary sense of the word. In lieu of a jail sentence under the Criminal Code, this measure allows the $100,000 to be registered as a judgment and enforced like any other commercial judgment. If this is in fact a commercial and business problem, it makes sense because we stopped sending debtors to prison a long time ago. It would appear that a solution that allows for the registry of the judgment as a judgment of the court would be a more proper method of enforcement than jail in any event.

[*Translation*]

**Hon. Marcel Prud'homme:** Honourable senators, to be better informed, I went to the House of Commons yesterday to listen to the debate on the back-to-work legislation, the second one concerning the same port in less than a year. Far be it from me to say anything that would embarrass the new Minister of Labour, but I was really impressed by the wisdom of what she said in the House.

I would urge my colleagues to read her speech which appears on page 10,548 of *House of Commons Debates* of March 15, 1995, a speech by the newly-elected member, Mrs. Robillard, now Minister of Labour. It is a very wise speech, and it is obvious she did not act in the heat of anger or emotion but quite simply in the best interests of the Canadian people.

What inspired her and what inspired me as well was the report by the conciliation commissioner, Dr. Thompson. On page 10,549 of the *House of Commons Debates*, there is a quote from his report, which leads me to say why, after a work stoppage of only a few hours, it was probably better to have this legislation, since the commissioner himself said in his report, and I quote:

> There is a climate of hostility between the parties, at least as far as the Association and the Union are concerned.

The conciliation process, the dialogue or negotiations should be allowed to continue. When a conciliation commissioner realizes and does not merely report to the minister or Parliament but takes the trouble to write down that there is a climate of hostility, it is clear that further efforts would have been futile and that it made eminent good sense to bring in this bill.

My participation in this debate is based, as always, on the fact that even if this is happening in Vancouver, as a French Canadian and as a Canadian, I consider that what happens in Vancouver is just as important as what happens in the Port of Montreal. I make no apologies for taking part in this debate, be it ever so briefly, even though it has even greater relevance for our colleagues from the west, for Western Canada and for all our exports to Asia, this great modern market for the goods we produce.

I also noted in the minister's speech yesterday, and this is why I want to mention it once again, that she in additionn to introduing a bill, was already anticipating the remarks by the official opposition, the Bloc Québécois. These remarks must not be dismissed out of hand. There are experts in conciliation and arbitration matters. As I always say, hate is never a good master. There are those who say that because it is the Bloc speaking, we must not pay attention. This is not in my nature.

I noted that the minister listened carefully to the remarks by those who say that, perhaps, in the review she is preparing to do, she will probably — and I hope she does — take a look at anti-strikebreaking legislation. This cannot be the monopoly of a single political party.

When people say that being of the left means being against human rights abuses, do they mean that being of the right means supporting human rights abuses? That is crazy. A person can be of the right or the centre and denounce torture and all forms of inhumane behaviour.

There is no need to be a member of the Bloc or the Parti Québécois to realize that not only Quebec, but also British Columbia and Ontario have all passed excellent anti-scab laws, and we hope that the new minister will continue to proceed in this direction and will find a similar solution.

What is really good is that the minister gets a little ahead of the debate, even though the legislation would permit her to settle this dispute, and I quote her:

> ...we must find long term solutions... for this reason, I intend to strike a board of inquiry on labour relations, whose mandate will be to report on the ways that parties involved...

I would ask you to read her speech on page 10550. As the minister will see, passionate speeches have no place in the Senate. The Senate is a place for reflection. I do not know whether the minister is still here, but I do know one thing — she will realize that in this house, we watch and we observe. We do not need to repeat everything worthwhile that was said in the House of Commons, unless it is to support legislation such as this which is always unfortunate.

Obviously, it is always unfortunate to be obliged to intervene. The government and the minister were not thrilled to recall us. Senator Lynch-Staunton was not thrilled to recall his troops, nor am I thrilled to be called back to do this! It is no joy, but it is our duty! It is in the best interests of Canadians. We hope, however, that these bills do not become a habit. We would be setting a dangerous precedent if people began to say: "We are going to dig our heels in so deep that eventually..."

[*English*]

• (1920)

A "save-face" Parliament would put us back together. That would be a bad sign for the future if, we have to intervene every time. However, it is in the interests of Canada.

I remember listening last year to Senator Lawson. He has experience in these matters as a former union leader from British Columbia. Like me, he is an independent senator. We should remember what he said last year. It was not with joy that he gave his consent to that special bill. He is knowledgeable and he knew what he was talking about. I was in doubt because I was not as familiar with the issue. When he stood up to support the bill, who was I not to go along with him? Therefore, in the interests of Canada, I did not hesitate to give consent, and that is why I wish to say this evening on the record that Bill C-74 is in the best interests of Canada.

I wish the new minister good luck, not only with respect to this bill, but in her desire to appoint a special inquiry to look at the issue of labour relations.

**The Hon. the Speaker:** Honourable senators, if the Honourable Senator Fairbairn speaks now, her speech will have the effect of closing second reading debate on this motion.

**Senator Fairbairn:** Honourable senators, I should like to thank all my colleagues for their wise advice and the thoughtful speeches they have given tonight on second reading. There is a great deal of ability and experience in this chamber to be brought to bear on issues with which, as I said earlier, none of us are comfortable. I refer to these periodic obligations to legislate workers back to work and to move beyond the collective bargaining process. It is a delicate balance between those rights and the public interest.

I was particularly struck by the remarks of my friend Senator Forrestall, who has 30-odd years of experience on Parliament Hill in both houses, and those of Senator Lynch-Staunton on the recall and about not being advised of the substance for the recall. After consultations here tonight, I think we can guarantee that this will not be the case, should there be occasion to go through this type of procedure in the future.

**Senator Lynch-Staunton:** There will be.

**Senator Fairbairn:** We hope not, but should the occasion arise, it will be made clear as to why members are being recalled.

In the case of the Port of Montreal, questions were asked and can be answered by my colleague the Minister of Labour when she attends Committee of the Whole. She indicated yesterday and today that the Port of Vancouver and the Port of Montreal are quite different cases. As my honourable friend Senator Prud'homme will know, there has not been a general strike at the Port of Montreal for over 20 years. Other ports in the province of Quebec are currently open and available as opposed to the situation on the West Coast.

However, the minister has made it clear that she has offered the services of a mediator to both sides in the dispute at the Port of Montreal. She will be evaluating that situation on its merits as it develops.

When my honourable friend Senator Forrestall said that we do not mean what we say, he sounded despondent. Over the years, a great many statements have been made in both Houses of Parliament with respect to how change must come and how these situations ought to be dealt with differently. Each government has approached these situations with a sincerity and a desire to do things better.

In this instance, the minister has indicated that, in her view and the view of the government, the time has come to move beyond the immediate to the longer term. I sincerely hope — maybe it will not come in 60 days as Senator Forrestall would like — that we will be able to achieve a shift in how these situations are dealt with and come up with an effective, long-term solution.

Honourable senators, I thank you for your cooperation in this debate. We look forward to hearing from the minister later this evening.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE OF THE WHOLE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I move that the bill be referred to a Committee of the Whole and that the Senate do resolve itself into a Committee of the Whole to hear from the witnesses.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

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• (1930)

CONSIDERATION IN COMMITTEE OF THE WHOLE

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on the bill, the Honourable P. Derek Lewis in the Chair.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would ask that the Honourable Lucienne Robillard, Minister of Labour, be invited to participate in the deliberations in Committee of the Whole.

**The Chairman:** Is it agreed?

**Hon. Senators:** Agreed.

Pursuant to rule 21 of the *Rules of the Senate*, the Honourable Lucienne Robillard, Mr. Pierre Hamell and Mr. James Lahey were escorted to seats in the Senate chamber.

**Senator Fairbairn:** Honourable senators, it gives me great pleasure to welcome my colleague Mrs. Robillard to this chamber. This is her first visit here since she was appointed Minister of Labour. We welcome her and hope that she will not be here very often under these circumstances, but yet be assured that she is most welcome here, as are her officials.

**The Chairman:** We are delighted to have you here, Madam Minister, with your officials. Before we proceed, do you wish to make a statement on Bill C-74?

[*Translation*]

**Hon. Lucienne Robillard (Minister of Labour):** Honourable senators, with your permission, I would like to start by telling you that I was very disappointed that my first action as Minister of Labour should be to introduce back-to-work legislation in the House of Commons.

As you know, Mr. Chairman, we always try to get the parties to come to an agreement. We strongly believe that this is the best way to settle labour disputes. In fact, most labour disputes are settled in this fashion.

This time, we were faced with a very serious situation. Before we introduced this piece of legislation, we tried to reach an agreement.

As you know, we appointed a conciliation commissioner but, unfortunately, we ended up with a lockout situation in all the western ports. The economic impact is such that we must act immediately to allow operations to resume. It is in this context that the House of Commons passed this bill which provides for a return to work 12 hours after Royal Assent, allows for a resumption of all economic activity in Western Canada and ensures that our credibility as exporters on foreign markets is maintained.

Therefore, Mr. Chairman, I hope that honourable senators will support this bill.

**Senator Lynch-Staunton:** Madam Minister, before I get to the point I would like to congratulate you on your election in the riding of Saint-Henri—Westmount. It is a riding that I know well, since I lived there or very close by from the time I was born until quite recently. Although people in that riding continue to elect members from a political party I do not belong to, I must admit that it is a riding which knows how to choose well. I have no doubt that you will continue that excellent tradition.

**Some Hon. Senators:** Hear, hear!

**Senator Lynch-Staunton:** I do not envy you your responsibilities in the upcoming referendum.

I would like to point out that, for some time now, Conservative senators have been actively looking into these issues to ascertain whether or not they should play a role as soon as the campaign gets underway. I can tell you right now that we have good contacts in the No camp and that, if you ever think that our cooperation could be useful, you can count on it.

**Some Hon. Senators:** Hear, hear!

[*English*]

**Senator Lynch-Staunton:** I have some questions here, Madam Minister. Rather than wait for a clause-by-clause study of the bill, I should like to go into various aspects of the legislation now.

Only a year ago, Minister Axworthy came before us. This was mentioned by Senator Berntson during the second reading debate. Minister Axworthy was here in relation to Bill C-10 two weeks after the work stoppage. When he was asked why it had taken so long to produce emergency legislation, he replied that he very much believed in:

> ...the collective bargaining process. We think it is still a fundamental component of labour relations in this country. Any precipitous move by the government in this matter would mark the beginning of throwing the entire principle of collective bargaining off track.

This year, with Bill C-74, the government has introduced emergency legislation only two days after the strike started. I hope that the conclusion to be drawn from this precipitous move, if that is what it is, is not that the government has lost confidence in the collective bargaining process.

[*Translation*]

**Mrs. Robillard:** Mr. Chairman, no, absolutely not. We have not lost faith in the collective bargaining process. All of our efforts are geared to help support the process to reach a collective agreement.

I must say that we acted sooner this year because we are more familiar with the labour relations dynamics in Western Canadian ports. I will explain.

As you know, last year, we had to pass back-to-work legislation for the longshoremen, who were in exactly the same situation. This time it is their foremen, that is, the immediate supervisors of the longshoremen.

The report from the conciliation commissioner told us clearly what he had discovered about the labour relations dynamics at play. He reported that the parties were not actively seeking to resolve the dispute, waiting instead for legislation to be enacted.

If we had waited another week before going ahead with this legislation, we would have ended up in the same situation, but with more serious economic consequences due to the passage of a week's time.

Accordingly, since it had become even clearer that there were problems with the whole labour relations dynamics in Western Canadian ports, we decided to appoint a commission of inquiry on labour relations as we drafted this legislation so as to avoid facing exactly the same problem next year or in two-years' time.

This is what led us to act as quickly as possible.

[*English*]

• (1940)

**Senator Lynch-Staunton:** The situation is that the two parties are at an impasse and the collective bargaining process has broken down, whereas last year there was hope that the collective bargaining process would work.

I do not want to belabour this point, but last year the minister suggested the final offer process. This year, you are abandoning that, despite the fact that Mr. Axworthy vaunted it as one way to force the parties to come to a solution on their own. As Senator Olson mentioned, we are returning to the old process. They just tell the government, "You resolve the problem. We cannot be bothered." Perhaps a final offer solution should have been tried in this case. Did it not work last year in the case of the dock workers? Was there a problem with the final offer process?

[*Translation*]

**Mrs. Robillard:** The problem we have this year is very different from the one we had last year. You will remember that last year there was only one issue in dispute and it was of a financial nature.

I am talking about the salary. The dispute was over a salary increase of 65 cents or 70 cents. It was a simple decision to make. It had to be either 65 cents or 70 cents. At that time, the final offer process applied to a very specific issue.

This year, the situation is more complex. We do not think that final offer selection is the best approach. That is why we chose the mediation-arbitration approach. We have not lost hope. When we talk about mediation-arbitration, it means that we still hope mediation will be successful. If it is not successful, then arbitration will be used.

This year's dispute is much more complex than a simple discussion about a salary increase as was the case last year.

**Senator Lynch-Staunton:** What is the dispute about? What are the outstanding issues?

**Mrs. Robillard:** A number of issues have been examined by Dr. Mark Thompson, the conciliation commissioner appointed in this dispute. I should say that his report could be a basis for a settlement.

The conciliation commissioner knew his report would not meet with unanimous approval by all parties, but it was a good basis for negotiation. The report was given to the parties on February 10, and negotiations have been initiated on that basis.

All of a sudden, management decided to impose all recommendations included in the report. That was followed by a walkout, and the lockout was then imposed. Going back to the report of the conciliation commissioner, Dr. Thompson stresses that there are outstanding issues concerning pensions, job posting, hiring, call-in pay, and the waiting period for disability benefits. A number of issues have to be settled.

**Senator Lynch-Staunton:** These issues should not give rise to a strike. This is just my opinion. It is not a monetary issue; it is a matter of benefits and job security. There must be other more serious things, unless in the west people are so touchy they create problems for their employers at the drop of a hat.

**Mrs. Robillard:** It is not up to the Minister of Labour to judge.

**Senator Lynch-Staunton:** We are trying to better understand why we are here.

**Mrs. Robillard:** What I can say and what was clear in the report of the conciliation commissioner is that there was a significant problem in labour relations dynamics.

When management decided to implement the report of the conciliation commissioner, the initial effect was that the employees went out on strike while maintaining transportation of grain and perishable goods. We took no action at that point. However, following the walkout by the foremen, management imposed a lock-out and all economic activity in Western Canada came to a halt.

[*English*]

**Senator Lynch-Staunton:** Let us move on to the role of the mediator-arbitrator. Is it usual to have the same person occupy both roles? Is this a precedent?

[*Translation*]

**Mrs. Robillard:** Mr. Chairman, no, this does not set a precedent. It is the formula normally used in labour relations.

[*English*]

**Senator Lynch-Staunton:** What is the difference between a conciliator and a mediator? I know you have a conciliation and mediation service, but the dictionary does not show much difference in the definition of those words.

[*Translation*]

**Mrs. Robillard:** Mr. Chairman, in the end, you know that the code allows us to do several things; for example, naming a conciliator or a conciliation commissioner. Basically, the appointment of a conciliator or a conciliation commissioner is a required step leading necessarily to the acquisition of the right to strike or to lock out. If we appoint a mediator, we do not get into this process. It could be completely independent.

[*English*]

**Senator Lynch-Staunton:** The new collective agreement will take effect on January 1, 1993, and yet in clause 6.1 the old collective agreement is extended from January 1, 1993. Is there an overlap there? The current agreement which expired at the end of 1992 is being extended to a date to be decided by the arbitrator, and the new collective agreement is effective January 1, 1993.

[*Translation*]

**Mrs. Robillard:** Yes, we want the employees to be covered throughout the arbitration process. We want the collective agreement to remain in effect throughout arbitration. Once the mediator-arbitrator has made a decision, the collective agreement may be in effect from January 1, 1993 until December 31, 1996 and even beyond. Employees must continue to be protected during the arbitration or mediation process.

[*English*]

**Senator Lynch-Staunton:** I have other questions.

[*Translation*]

**Senator Rivest:** Madam Minister, I wish to add my comments to those of the Leader of the Opposition to mark your entry on the federal scene. I feel we have met before, perhaps in a particularly happy former life, because your face seems familiar. I am certainly familiar with your reputation and your proficiency.

I would like to ask you to make some very brief comments before we go on to the clause-by-clause analysis of the bill because many people, particularly from Montreal, are wondering why the Minister of Labour acted so swiftly in the case of the Port of Vancouver whereas there is, as you know, a similar problem in the Port of Montreal which is beginning to worry management over there.

Mr. Tadéo made a statement yesterday about the economy of Montreal. You described the Vancouver situation as being urgent, but can you explain why, according to you, the Montreal situation is less urgent?

**Mrs. Robillard:** The situation in the Port of Montreal has a different impact. We try not to have to legislate and this is why we are using all possible means to reach an agreement before we have to bring a bill before the House of Commons.

We are bringing in this legislation because the consequences are considered so important that we have to act in the interests of Canadians. In the Port of Montreal, because of the strike or the lockout, operations are suspended. We have to admit that.

The situation is limited to the Port of Montreal. The impacts are limited to the Montreal area. This means that all other ports in Quebec are operating at this moment, whether at Trois-Rivières, Sorel or Quebec City. Economic activity is maintained through other ports.

The situation is completely different on the West Coast because the foremen this bill is intended for are all part of the same bargaining unit, wherever they work. Therefore, work is suspended in every port on the West Coast, not only in one. That is a first major difference.

The second difference is that, over the years, a tradition has been established at the Port of Montreal, and they have always been able to agree, to negotiate and to reach an agreement.

It has been over 20 years since there was a general strike at the Port of Montreal. This allows me to be more confident in the negotiating process which should lead to a solution. We are monitoring the situation very closely because, as I said, it might have an impact on the Montreal area. That is why I have decided to offer both parties mediation to reach an agreement, to facilitate an agreement.

**Senator Rivest:** I was told that, for technical reasons, other ports located in the Montreal area — even though they are still operating — cannot play the same role nor have the same functions as the Port of Montreal, so that the bottom line is that operations which cannot be carried out by the Port of Montreal cannot take place in the other ports either, because they lack the equipment necessary to overcome the situation and the difficulties at the Port of Montreal. Is this true?

**Mrs. Robillard:** Mr. Chairman, I have been told a completely different story about the state of affairs. Reports are to the effect that the other ports can make up for what is not done in Montreal, including Halifax, which can take on port activities that would otherwise go to Montreal.

I was told that business activity was going on through the other ports, but I must admit I am concerned over the impact the closing of this port will have on the Montreal area. That is why I am asking the parties to sit down at the negotiating table with a mediator to help. I really hope that the parties will reach an agreement.

[*English*]

**Senator Olson:** I do not have any questions or criticism of the bill. It contains no more than what is required to deal with this type of situation.

I have had a lot of experience with these types of situations over the last number of years, as has been pointed out. We have had situations where there was not quite enough in the bill, and sometimes there was more than necessary. It came down to the business of actually trying to settle the outstanding differences. This bill is appropriate and balanced.

I have a question with respect to the last two paragraphs of the minister's speech made before the other place yesterday. You indicate you will set up a board of inquiry on labour relations, the mandate of which will be to report on ways that parties involved in handling cargo at these ports can avoid closing down ports in the near future. You say at the end of that comment that you think it almost forces Parliament to take rapid action.

You continue by saying that we must avoid repeating this situation in the years to come. As I have told my colleagues, I am personally committed to finding a long-term solution to these labour relation problems which have become endemic to West Coast ports.

Madam Minister, when do ou think you will get this inquiry set up? Perhaps even more pointed, when will you introduce legislation? When do you expect to deal with the matter?

Earlier today, just before you came into this chamber, the Deputy Leader of the Opposition in the Senate offered the full cooperation of the opposition to get some remedial action in the ports in Western Canada, action such as what you have described in your last two paragraphs.

I would ask the minister to give us some indication of the timetable for this matter? We know, for example, that at least two commodities, cereal grain and potash, are presently breaking all records in the amount of volume being exported through Western Canadian ports, and, therefore, the situation we face is economically costly. The underlying reasons of why they forced Parliament to take action, are not well understood by the public in Western Canada, especially by some of the people who are very directly and profoundly affected by these work stoppages.

[*Translation*]

**Mrs. Robillard:** Mr. Chairman, I appreciate the concern regarding a long-term solution. I think this is essential. The goal is to prevent Parliament from passing legislation on a regular basis to address this problem.

A board of inquiry is needed to review the structures as such. Here is what I intend to do as soon as this bill is promulgated. The employees will go back to work. A few weeks from now, we will officially appoint this board of inquiry which, as you know, comes under section 108 of the Canada Labour Code.

In a few weeks, we will have to choose the right person to head this board of inquiry. I give myself a few weeks to pick and officially appoint this individual. I hope that the draafting of this report will not take years so that we can implement recommended legislative amendments as soon as possible.

I think that we can reasonably expect to receive the report in the fall so that we can make amendments during this session in order to avoid the same situation when the collective agreements expire in Western Canada.

[*English*]

• (2000)

**Senator Olson:** Mr. Chairman, there is one comment in Conciliator Thompson's report which is particularly disturbing, and that is his indication that there was a feeling of hostility between the two parties involved. I think we can take from that comment that hostility was one of the main reasons why they could not come to a solution and it was referred to Parliament.

Can you give us some indication of how you will deal with that, minister?

[*Translation*]

**Mrs. Robillard:** Any labour minister wants labour relations to be as harmonious as possible in any company. This is our main goal and objective. This should be what any employer wishes for in the first place.

We know quite well that successful businesses are competent and competitive. The reason is that they rely on very good human resources management. Thus, it seems to me that the main responsibility of employers is to ensure good staff relations.

In this case, thanks to mediation and arbitration processes which will follow and thanks to the board of inquiry, I hope that both the union and the employers will examine that problem with the investigation commissioner.

I am really not in a position to guarantee it, but this is surely the objective we, along with both parties, will be aiming for.

[*English*]

**Senator Andreychuk:** I should like to pursue that matter. This summer when the Special Joint Committee on Reviewing Canada's Foreign Policy was travelling in the west, there were expressions of a loss of confidence in the port system on the West Coast. Many expressed their views on what was wrong and how it should be corrected. I am concerned that the loss of confidence directly hurts those industries and products to which Senator Olson referred, which come from my area of the country.

Why would you set up a board of inquiry to continue to study the problems? The problems are in the open. They have been discussed and studied. We need a board of inquiry to look at the options for resolution, rather than another study which lets both parties off the hook for coming to an understanding.

[*Translation*]

**Mrs. Robillard:** Mr. Chairman, I think so. The problem is more and more obvious to all the parties involved, including the Department of Human Resources Development and the Department of Labour. The issue was examined over the years — and again this time — except that we may not have spent as much time analyzing the possible solutions.

I believe it is important to have an idea of the type of solutions which must be applied to problems like this one. It is said that a careful analysis of the problem is half the solution. The investigation commissioner should not take several months to find possible solutions, analyze the consequences and decide on the best option with the parties involved. That is the idea.

It seems to me that if we were to unilaterally decide today which solution to apply to that problem, the impact of that solution would not have been adequately examined.

[*English*]

**Senator Andreychuk:** What assurance will you give to farmers whose livelihood is in jeopardy that this time there will be a lasting solution? Transportation is in crisis on all fronts in the west. This is a compounding factor. While we look at the best solution for the port authorities in a gentle way, what assurance are you giving to the others who find their jobs and their livelihood in crisis?

You have not reassured me that we will have an answer by September. There will be an analysis and a rethinking. New people will be sent in to look at it again. They will review the history, point out the hostility of the two sides and perhaps make some recommendations, but what will be different at the end of the day? The two parties will still be in a hostile situation. Why will this inquiry be different from any other?

I must say, however, that I appreciate that you are bringing a new eagerness and willingness to your task, which is commendable.

[*Translation*]

**Mrs. Robillard:** First, I want to make it clear that we were forced to legislate last year. The longshoremen at West Coast ports are currently subject to a collective agreement expiring at the end of this year. Now we have to pass a bill concerning the foremen, whose collective agreement will then last until December 31, 1996.

These two pieces of legislation ensure stable economic activities for this period of time. There will be no strike and no lockout during this period, which does not mean that the dynamics of the employer-employee relationship will necessarily be better, but at least western farmers and exporters will be assured that West Coast ports will be in operation.

I have already explained the time frame. The board of inquiry will examine the structures of the collective bargaining process, report to me in the fall and, if changes to the code are recommended, we will act immediately before the expiration date of the various collective agreements so that we will not end up again in the same situation.

**Senator Gauthier:** In much the same vein, will the board of inquiry sit when certain employees and employers are facing the threat of a work stoppage?

For instance, the situation in Montreal has not been resolved. If I understood correctly, the recommendations of the board of inquiry will apply to all Canadian ports and not exclusively to West Coast ports. If the board's recommendations apply to all Canadian ports, it is quite possible that Montreal will be in a strike situation, and there may be a labour dispute while the board is doing its work.

Is that correct?

**Mrs. Robillard:** The board of inquiry will concentrate exclusively on West Coast ports to examine the structures there. The recurring problems on the West Coast have do to with the structure. The board's findings will not apply to all Canadian ports.

**Senator Gauthier:** Not to the Port of Montreal.

We should find a solution to our problem in the west within 90 days. Bill C-74 is a rather fast solution since I understand the matter will be settled in less than 90 days. The board of inquiry would not begin its hearings before 90 days at least.

Am I mistaken or is it possible for the board to start its proceedings before the matter is settled on the West Coast?

**Mrs. Robillard:** The board of inquiry can start its proceedings before that.

**Senator Gauthier:** Without prejudice to the conciliation officer's task.

**Mrs. Robillard:** No, because the mandates are totally different. Essentially, the mediator-arbitrator must find a solution to the very specific problems that I mentioned earlier, problems relating to retirement, the various social benefits and so on. The mediator-arbitrator will not examine the whole structure of collective agreements in Western Canada. These are two different mandates, and I think that they can be carried out simultaneously.

**Senator Gauthier:** Are we not legislating piecemeal in this case? From what I understand, the work of the board of inquiry will only apply to Western Canada. It could happen that a board of inquiry would be necessary to find solutions also in the east, or in Montreal or Quebec City, if things got worse.

**Mrs. Robillard:** That does not seem to be necessary and obvious for the Montreal area.

[*English*]

• (2010)

**Senator Forrestall:** Honourable senators, I join with you in welcoming the minister to this chamber. However, I suggest to her that perhaps she should not run too fast, that she should walk a bit. This is a strange community you have moved into. It is not anything like a provincial legislature or that scene at all.

Minister, you must be careful because you are suggesting to me — someone from Atlantic Canada — that your approach to policy development may lead to one law for one part of Canada and another law for another part of Canada. You seem to suggest, perhaps, that what is being moved will dictate — Minister, you may smile and laugh, but I am discussing policy with you. Perhaps you might give the board or the commissioner the benefit of a clear enunciation of labour policy so that all Canadians will understand what you are doing. It might go down a little easier. However, to sit here tonight and suggest that you will move swiftly to develop a solution for Vancouver is to suggest, at least to me, Madam Minister, that you may get your "comeuppance" somewhere along the line. I ask you to beware of that possibility.

Implicit in what you say is a fundamental policy change in two areas. The first relates to the nature of the final offer, how you are using it and how we intended to use it in the past. The second is much more minor. Why clause 13? Is it a change of policy? Why have you taken away the jail term for failure to comply?

Would the government, in its wisdom, once it has consulted its Red Book, which I understand is a little bereft in this area — much like "Where's the beef?" — take a look at the development of a broad policy statement with respect to the public interest or some other common starting point that would have application to all parts of the country or application to all aspects of labour law and its use in our evolving system?

This is a good idea, but I would hate to see it fail because someone said it is not for you but for someone else. We are still all Canadians. If you are taking these measures just for the West Coast, what are we to assume? Are we to assume that these measures have no value for us?

Madam Minister, you are confusing a great number of Canadians. Without the benefit of public dialogue, you are changing very significant policy positions in the area of labour policy.

Perhaps you might respond to clause 13. Why has the option of jail been taken out? That might shed some light on whether you intend to change policy.

On the basis of what policy or understanding would you ask the commissioner to recommend changes to labour practice in Canada, as applied by the federal authority, that would have force in one part of the country without regard to another?

[*Translation*]

**Mrs. Robillard:** In response to the first question concerning clause 13, I would like to indicate that this procedure has been in place since 1991. It certainly is not anything new or a precedent.

Since 1991, imprisonment is not an option in our labour relations legislation. If you take a look at the amount of the fines imposed on anyone who contravenes the act, you will see that it is large enough to qualify as a serious penalty.

I do not know what the legislators' intent was back in 1991, but I imagine that this legislation must also have been based on some social or moral values. Do we have to imprison individuals who contravene a labour relations act? We should ask ourselves this question in terms of social values. This is just an idea I am putting forward.

My point is that this had not been used since 1991, and you can rest assured that the fines are large enough to strongly penalize offenders.

With respect to the second question, I would like to make one thing quite clear.

[*English*]

• (2020)

**Senator Forrestall:** Madam Minister, while you are on that point, may I ask a brief supplementary so that we do not have to return to my question later?

If it is not in the law, what then is the need for clause 13 of the bill? I was unaware that jail sentences in lieu of fines were stricken from the law. It may well be, and I do stand to be corrected. If that is the case, I am not at all sure that I agree with it. It may or may not be a good thing; I just do not know. If it is the case, then why is clause 13 necessary?

[*Translation*]

**Mrs. Robillard:** Imprisonment has to be specifically excluded in this legislation, because otherwise the provisions of the Criminal Code could apply. That is why it has to be specified in the bill.

As for the second question, honourable senators, perhaps I should give the following clarifications: the legislation before us is designed to solve a problem in the short term in all our West Coast ports by ordering the employees back to work and by applying the mediation-arbitration process.

This problem on the West Coast resurfaces quite regularly, as we have seen over the years, and that is why a board of inquiry has been established to look specifically into the collective bargaining structure at West Coast ports.

This being said, you certainly know that the Canadian Labour Code is currently under review and that this review will give us the opportunity to establish nationwide, comprehensive policies. We have not yet reached this stage, but the review of the Canada Labour Code is under way with a consultation process that will give all regions the opportunity to provide their input.

[*English*]

**Senator Lynch-Staunton:** I have two brief questions. You know as well as anyone in this chamber that Quebec was a frequent user of back-to-work legislation and has backed away from it since the creation of the Essential Services Council, which has worked well overall. The council decides with the two parties which services will be maintained during a strike. Do you see this sort of concept as applicable on a national basis?

[*Translation*]

**Mrs. Robillard:** I think the whole concept of essential services is an interesting idea that deserves to be studied thoroughly. Maybe we could amend the Canada Labour Code along those lines. We will have an opportunity to take such ideas into consideration during the review of the code.

[*English*]

**Senator Lynch-Staunton:** One of the essential services which is now being disrupted in this country is rail service. The situation does not seem to be getting any better. There are even threats of lockouts by CN. We know there are major dislocations taking place in certain industries on a national basis, though sporadic here and there. How long will the government let this situation deteriorate before it realizes that it will have to step in, as it has in previous years under similar conditions?

As Senator Andreychuk pointed out without being specific, farmers are being hit by the port strike and by the rail stoppages. Although our more cynical friends out west may say that it will not matter after August 1, once the Crow benefits disappear, the basic question is what does the government plan to do should the rail situation deteriorate further?

[*Translation*]

**Mrs. Robillard:** In fact, there is also a labour relations problem with respect to the railways, at CP and CN as well as VIA Rail, as you know.

Furthermore, I repeat, whenever there is a difficult situation, we make all the necessary efforts to bring the parties together and help them reach a negotiated settlement. I would add that, in the railway industry, which is quite complex, it would be preferable if both parties reached an agreement instead of the government having to legislate. Our objective is therefore to get the parties to agree.

As you know, different positions were taken, and the union decided to take action at CP by organizing rotating strikes in different provinces. As we speak, CP has managed to come to an agreement with three unions representing more than 3,000 workers. An initial agreement has already been reached. They are negotiating with two other unions and, at the present time, operations at CN and VIA are not affected. We are keeping a close watch on the situation, and I do hope it will not lead to a general strike or lockout which would require Parliament to intervene. This is not our objective. We want the parties to solve their problems themselves.

**Senator Lynch-Staunton:** If the situation worsens and develops into a general strike or lockout, can we then, expect that Parliament will have to do something and that another board will be created to try to prevent the same problems?

**Mrs. Robillard:** Let us not assume anything.

**Senator Lynch-Staunton:** But we must be prepared.

**Mrs. Robillard:** We will see what the situation is. We should never generalize. We must judge each situation on its own merit. Let us see what is happening in the area of labour relations. About 60 per cent of all collective agreements are reached without the intervention of the Labour Department or anybody else; the parties come to an agreement by themselves. The other 40 per cent, requiring help from the Labour Department, are signed without any strike or lockout in 90 per cent of the cases.

We must trust the collective bargaining system which exists everywhere in Canada.

**Senator Lynch-Staunton:** I am not asking you to speak highly of your department. I am simply asking you if the government will be ready to do something if the situation with the railways gets worse. Some areas of our economy are already affected, and there is already a company which threatens to declare a general lockout if certain conditions are not accepted.

Is the government going to wait and see, or is it already drafting legislation that it will introduce, legislation which was drafted, I assume some time ago?

**Mrs. Robillard:** First, I am not speaking highly of my department. I am speaking highly of parties who can work out an agreement on their own.

Second, as far as railways are concerned, it is too early to consider legislation. We are still hoping that the parties will reach an agreement. We will monitor the situation on a daily basis.

**Senator Murray:** Did Canadian National's president formally petition the federal government to legislate in order to avoid the worst, to avoid a strike, and how did you react to this petition?

**Mrs. Robillard:** As a matter of fact, Mr. Ritchie came to see me to discuss the possibility of legislation. I clearly stated that I had no intention of legislating, that I would rather have the parties negotiate their collective agreement by themselves.

**Senator Murray:** Canadian National's president does not have as much confidence as you in the process.

**Mrs. Robillard:** I must add that Mr. Tellier was also present when I met Mr. Ritchie, and that they both received the same message.

[*English*]

**The Chairman:** Honourable senators, if there are no further questions at this stage, we will proceed to a clause-by-clause study of the bill.

Shall the title be postponed?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 1, the short title, be postponed?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 2 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 3 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 4 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 5 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 6 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 7 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 8 carry?

**Senator Lynch-Staunton:** I have one question.

[*Translation*]

**Senator Beaudoin:** Madam Minister, is this the usual clause that we see in clause 8?

**Mrs. Robillard:** I am told it is the usual clause, except for 8(2)*(b)*, where if the parties fail to reach an agreement, the mediator-arbitrator must take cognizance of the report of the conciliation commissioner.

**Senator Beaudoin:** The same philosophy still prevails. Agreement between the parties, first and foremost.

**Mrs. Robillard:** Mediation first and foremost.

**Senator Lynch-Staunton:** With the exception that previously, both parties were allowed seven days to agree on the choice of an arbitrator, in the bill before us, it says that the government will appoint the arbitrator.

**Mrs. Robillard:** In fact, the duties of the arbitrator were entirely different as well, since they were based on the final offer principle.

**Senator Lynch-Staunton:** That may be, but my question is this: Why not give the parties seven days or 10 days to agree on the choice of an arbitrator?

I want to make a distinction between mediation and arbitration. Mediation means you try to get the parties to agree, while the arbitrator will impose a settlement, I believe.

The two roles are entirely different. Here it says that if the mediator fails, he may take on the role of an arbitrator, which gives him the opportunity to succeed where previously he had failed. I think there is something wrong when the same person is asked to play both roles.

The mediation process fails, and then the same man or woman becomes the arbitrator and says "Well, this did not work when I was the mediator, but now I can put on my arbitrator's hat, and impose a settlement."

**Mrs. Robillard:** I am of a different opinion. I believe it is possible since a mediator-arbitrator has a clearly defined role: to bring the parties to an agreement before making a decision. That formula has been successfully used in the past.

**Senator Lynch-Staunton:** I would like your officials to inform me of the cases in which the concept of mediator-arbitrator was adopted in the past.

[*English*]

• (2030)

**The Chairman:** Shall clause 8 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 9 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 10 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 11 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 12 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 13 carry?

[*Translation*]

**Senator Beaudoin:** Madam Minister, I do not oppose clause 13 at all, but I understand that the use of criminal law is ruled out as a matter of principle, is that right? Are we not trying to resolve the problem by other means?

**Mrs. Robillard:** Yes, Senator Beaudoin, for the purposes of the failure to comply and the fines.

**Senator Beaudoin:** And the fines. Thank you.

[*English*]

**The Chairman:** Shall clause 13 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 14 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 15 carry?

**Senator Lynch-Staunton:** After clause 15 in Bill C-10, there was a due diligence clause which we do not see repeated here in this bill. That clause said that nothing in the act shall be construed so as to restrict a person from raising a defence of due diligence. This does not come into play in Bill C-74. That was to protect the employee who is called back to work and who, for valid reasons, does not show up. That protection is not found in Bill C-74.

[*Translation*]

**Mrs. Robillard:** I am told that this clause is no longer required, since the Supreme Court of Canada rendered its decision in January 1994 after the 1986 legislation on port operations was challenged before the court.

[*English*]

**Senator Lynch-Staunton:** In February of 1994, no one told Mr. Axworthy about it.

[*Translation*]

**Mrs. Robillard:** It was a few days before, was it not?

[*English*]

**Senator Lynch-Staunton:** The employee who has a valid excuse will be excused from whatever clause he might be penalized under, is that correct?

**Mrs. Robillard:** Yes.

**The Chairman:** Shall clause 15 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 16 carry?

[*Translation*]

**Senator Prud'homme:** Madam Minister, will the bill receive Royal Assent tonight and, if so, is a 12-hour delay sufficient to contact all the people involved in British Columbia who will have to comply with the legislation?

**Mrs. Robillard:** Yes, I think that a 12-hour delay is sufficient.

**Senator Prud'homme:** You have been assured of this?

**Mrs. Robillard:** Yes, I have been assured of this.

[*English*]

**Senator Prud'homme:** Do you expect Royal Assent tonight?

**Senator Graham:** Yes.

**Senator Prud'homme:** Therefore, that means the bill will come into effect 12 hours from the moment it is signed.

**The Chairman:** Shall clause 16 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall the schedule carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause one, the short title, carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall the title carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall I report the bill without amendment?

**Hon. Senators:** Agreed.

**The Chairman:** I should like to thank the minister for her attendance this evening.

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**The Hon. the Speaker:** Honourable senators, the sitting of the Senate is resumed.

REPORT OF THE COMMITTEE OF THE WHOLE

**Hon. P. Derek Lewis:** Honourable senators, the Committee of the Whole, to which was referred Bill C-74, respecting supervision of longshoring and related operations in the West Coast ports, has examined the said bill and has directed me to report the same to the Senate without amendment.

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Joyce Fairbairn (Leader of the Government):** With leave, now, honourable senators.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

[*Translation*]

## ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that the following communication had been received:

RIDEAU HALL

16 March 1995

Mr. Speaker,

I have the honour to inform you that The Honourable Beverley McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 16th day of March 1995, at 9:10 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. LaRoque
*Secretary to the Governor General*

The Honourable
The Speaker of the Senate
Ottawa

[*English*]

• (2040)

## BUSINESS OF THE SENATE

ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

**Hon. B. Alasdair Graham, Deputy Leader of the Government:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*h*), I move,

> That when the Senate adjourns today it do stand adjourned until Tuesday next, March 21, 1995 at two o'clock in the afternoon.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

**The Hon. the Speaker:** Pursuant to rule 135(4), the sitting is suspended until 9:05 p.m. Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

The Senate adjourned during pleasure.

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[*Translation*]

## ROYAL ASSENT

The Honourable Beverley McLachlin, Puisne judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Deputy Speaker, the Honourable the Speaker of the Senate said:

> I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Beverley McLachlin, Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

*The Commission was read by the Clerk of the Senate.*

The Honourable the Deputy Governor General was pleased to give the Royal Assent to the following bills:

> An Act to establish the Department of Industry and to amend and repeal certain other Acts (*Bill C-46, Chapter 1, 1995*)

> An Act respecting the supervision of longshoring and related operations at West Coast ports (*Bill C-74, Chapter 2, 1995*)

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to withdraw.

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The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, March 21, 1995, at 2 p.m.

# THE SENATE

**Tuesday, March 21, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### CITIZENSHIP

CONFERRAL OF CITATION UPON YUDE HENTELEFF, Q.C.

**Hon. Duncan J. Jessiman:** Honourable senators, I rise to inform you that one of Canada's outstanding lawyers, Yude Henteleff, Q.C. of the City of Winnipeg, is today receiving The Citation for Citizenship.

The Citation for Citizenship honours 25 individuals and organizations each year for their outstanding contributions to Canadian citizenship and the values it represents. Canadian citizenship is what draws us together as a people and as a nation. The Citation for Citizenship pays tribute to the outstanding accomplishments of Canadians and recognizes a range of activities which mobilize individuals and groups into meaningful citizenship participation. Such active citizenship stimulates the awareness and practice of the rights and responsibilities of being Canadian. It helps our fellow Canadians participate fully in society and promotes our key citizenship values of freedom, justice, equality and respect for diversity.

Honourable senators, I have known Yude Henteleff, a quiet-spoken gentleman, for several years. I know of his legal competence and of his generosity in giving his valuable time in assisting others in need. Mr. Henteleff is a most deserving recipient of this citation.

### FOREIGN AFFAIRS

CELEBRATION OF FIFTIETH ANNIVERSARY OF DIPLOMATIC RELATIONS BETWEEN CANADA AND CUBA

**Hon. Norman K. Atkins:** Honourable senators, last week I was in Havana, Cuba. While there, I attended the fiftieth anniversary reception recognizing the establishment of formal diplomatic relations between Cuba and Canada. The celebration was hosted by our ambassador, Mark Entwistle.

Apart from the fact that I was honoured to be included, I was amazed by the number and diversity of those who attended. The diplomatic corps, officials from the Cuban government, personalities from the cultural community and many others, including Canadians doing business in the country, were guests of the embassy that evening.

It was clear to me that our ambassador and the staff of the entire embassy are highly regarded and have done, and continue to do, a great job in establishing good relations with the people in that country. In fact, I got the feeling from those with whom I spoke that Canada is a country for which Cubans have a high regard and that we are welcomed there, not only as tourists but as people with whom Cubans would like to do business.

I got the feeling that although Cuba is a socialist country it is slowly moving toward a free market economy. It is a country looking for foreign investment from countries friendly to them, as well as business interests willing to work out mutually beneficial arrangements. Countries such as Spain, France and Mexico have established themselves through various arrangements. I believe there is a big opportunity for Canadians to do the same.

Honourable senators, I note that the Chairman of the House of Commons Foreign Affairs and International Trade Committee, Bill Graham, who is an MP from Toronto, while in Washington last week, made a comment in relation to the bill that will punish Canadians who ignore U.S. sanctions against Cuba. He said that Canada has a right to trade with any country and does not need lessons from the United States.

Under the bill sponsored by Republican Senator Jesse Helms, business people who buy or rent land or property confiscated by Cuba from U.S. citizens would be denied entry to the United States. This same bill would see Washington bar sugar, molasses or syrup imports from countries, including Canada, that import sugar from Cuba.

I think Mr. Graham's comments were right on. He should be congratulated for having the courage to make them. He was right when he said:

> They're playing domestic politics on the one hand, and on the other, they're saying one thing about Cuba which they themselves don't practice in lots of other countries.

He was also right when he said that Canada should not defer to U.S. foreign policy on Cuba because of the North American Free Trade Agreement.

Canada has a great opportunity in Cuba. While other countries are already establishing themselves, it is not too late for us to make an effort to begin connecting with Cubans, since, I believe, there are a great many opportunities that would benefit both countries.

### VIOLENCE AGAINST WOMEN

**Hon. Marjory LeBreton:** Honourable senators, I rise to express my concern over statements that were made recently with regard to women being responsible for the abuses of men. These statements were made to a gathering marking International Women's Day. Interestingly, they also coincided with other events in the news as they relate to women: namely, those surrounding a woman prosecutor in that so-called "trial of the century" who, because of her long work hours, is faced with a situation that questions her role as a mother and her ability to care for her children. One wonders, with justification, if questions would be raised about her working habits if she were a man.

It has also been reported by the Federation of Independent Businesses that women entrepreneurs have more difficulty obtaining bank loans to launch their businesses and that those who do obtain such loans pay a higher interest rate.

Violence in all forms is reprehensible, but statistics, common sense and knowledge surely point to the fact that women should not have to bear the burden of blame for such abuses. In 1987 in my own province of Ontario, the Ministry of the Attorney General recorded 16,282 domestic assault occurrences, 93.5 per cent of which resulted in charges laid against men.

In fairness, however, it must be pointed out that studies conducted in women's shelters provide evidence that children in families in which the mother is being abused may also be at risk of abuse or neglect by their mothers. These children learn that violence is an accepted way for men to relate to women, and to resolve conflict in the family. For boys, their learned behaviour becomes an imitation of their fathers' violence and a perpetuation of a cycle of abuse in future relationships.

It is my sincere hope that the government will disavow such views and distance itself from the statements that were made by one of its own supporters. These same misogynic views were expressed a few months ago in the other place by a Reform member of Parliament for British Columbia. The Reform members are undoubtedly pleased to know that they have a potential supporter in this place.

## HUMAN RIGHTS

### ESTABLISHMENT OF SENATE COMMITTEE ON AFFIRMATIVE ACTION

**Hon. Donald H. Oliver:** Honourable senators, if California sneezes, sooner or later we in Canada catch a cold. I fear that we will soon be smitten by the right wing wave against affirmative action in the United States. Now is the time for us to act. I urge the leadership of this place to establish a standing Senate committee on human rights.

As those of you who are aware of the history of the Senate will know, the recent requests for the establishment of such a committee are far from new. In 1968, such a committee was strongly recommended in a comprehensive report on possible changes to the Constitution, referred to as the Lamontagne-Goldberg report.

If such a committee was deemed necessary in 1968, I submit that it is absolutely vital to establish one now. From my perspective, I see rights and programs which were fought for over many years, and finally established in the seventies and eighties, under constant attack. The attack on affirmative action programs in Canada is still in its infancy, and basically subscribed to only by supporters of the Reform Party. However, the same cannot be said of the United States.

Affirmative action began as a dream during the Johnson presidency and was enacted into law in the period from 1968 to 1972. President Johnson's explanation of the need for affirmative action was simple:

> You do not take a person, who for years has been hobbled by chains, liberate him, bring him to the starting line of the race and then say, 'You are free to compete with all the others,' and still justly believe you have been completely fair.

But the political situation in the United States has changed. The Republican right wields its influence in Washington and has virtually taken over in California.

There is a right wing proposal for a plebiscite that would ban state-sponsored affirmative action programs. The proposal reads as follows:

> The state shall not use race, colour, ethnicity or national origin as a criterion for either discriminating against or granting preferential treatment to any individual or groups in the operation of the state system of public employment, public education, or public contracting.

In the words of Professor Thomas Wood, one of the two University of California professors pushing this initiative, "The worm has turned, and we are going to put a stop to affirmative action."

Honourable senators, the worm has not turned for those of us who fought for sections of provincial human rights legislation allowing affirmative action programs. Those of us who argued vociferously for section 15(2) of the Charter of Rights and Freedoms know that these policies are necessary to reverse past injustices. Only when discrimination and racial bitterness has left our land, only when the people of all races start from the same beginning point will such programs not be necessary.

Without a human rights committee in the Senate, there is no forum for reasoned discussion on the need for or the effectiveness of these programs. In such a committee, senators could get ahead of the public discussions, as we have done in many other areas, such as poverty and aging. Intense and enlightened public hearings could then be held.

Again, I implore the leadership of this institution to look at the importance of human rights and at the benefits that would flow to the Senate and to all Canadians with the establishment of a standing Senate committee on human rights.

## QUEBEC

### STRATEGY OF SEPARATISTS

**Hon. Philippe Deane Gigantès:** Honourable senators, for the benefit of those among you who do not read French, I should like to give you the gist of an article that appeared yesterday in the *Journal de Montréal*, which generally is separatist in its outlook. The article is written by the Ottawa columnist Michel Auger. Mr. Auger said:

> It was a beautiful strategy. In the first period, Quebec would elect a majority of Bloc Québécois MPs. In the second period, it would say Yes to Mr. Jacques Parizeau, and elect the Parti Québécois. Then would come Yes to the referendum, and that would be no more than a formality.

Mr. Auger then goes on to state:

> This is not what happened. Why did this strategy go awry?

One of the problems discovered by the separatists who are in Ottawa is that "a certain Jean Chrétien" did not turn out to be exactly as they had expected him to be. They expected that Jean Chrétien would be the "scarecrow" they had imagined him to be: someone on whom they could always rely to say the wrong thing and give them an opportunity to score points for separatism.

Mr. Auger continues:

> The Prime Minister has made some mistakes, but generally we are forced to admit that Mr. Chrétien and his government have not been the easy target that the separatists thought they would be.
>
> When the government acts, it does so with a political skill to which everyone must admit. For instance, the Paul Martin budget, the toughest budget in the last half century, has succeeded in the tour de force of making the popularity of the government increase without affecting the referendum at all.
>
> Even Mr. Chrétien seems to have found a new self assurance.

He always had it, but perhaps these people had not noticed.

Mr. Auger then goes on to state:

> There was a time when he did not particularly like appearing anywhere in Montreal. Yet, only two weeks ago, on Radio-Québec—

That is, in a program called *Droit de parole* —

> — he was as much at ease as if he were sitting in his own living room. He was defending his budget before other guests of the program who were far from being his political friends.
>
> In the strategy of the PQ, the government —

**The Hon. the Speaker:** Senator Gigantès, I would remind you that your time is up. Honourable senators, is there unanimous consent to allow Senator Gigantès to continue?

**Hon. Senators:** Agreed.

**Senator Gigantès:** Thank you, honourable senators.

> In the strategy of the PQ, the Liberal government of Mr. Chrétien was supposed to be the brutal centralizer that would have done everything it could to step on the jurisdictional territory of Quebec. The crisis of public finances has allowed the Liberal government to put this perception of it aside.
>
> Thus, the PQ has every problem in the world to make its campaign take off against the federal budget. The same thing has happened with their campaign against the Axworthy reform.

The separatists have very serious difficulties convincing Quebecers of the dangers of the budget and of the Axworthy report. Mr. Auger then concludes by saying:

> The enemy upon which the PQ counted is not there for it to seize. That is a big hole in the strategy of the separatists.
>
> I would like to remind you —

— continues the columnist —

> — of what Mr. Brian Mulroney said:
>
> In politics it is important to have friends, but it is also important to have an enemy.

Honourable senators, the separatists just cannot get hold of that enemy.

## FAMILY VIOLENCE

### COMMENTS MADE BY SENATOR COOLS ON INTERNATIONAL WOMEN'S DAY

**Hon. Erminie J. Cohen:** Honourable senators, I think I share with most of you a sense of public trust that we have been given in becoming senators. This is why it hurts us all when a member of this chamber abuses his or her position by making unsupported claims in public which, by virtue of her position as a senator, are then picked up by the media and displayed on the front page of major newspapers across the country. I am referring here to comments made by Senator Cools on International Women's Day.

On that occasion, Senator Cools claimed, and I quote:

> Behind every abusing husband is an abusing mother.

No research was cited or statistics used to support this outrageous statement, and yet it became the headline for this year's International Women's Day.

As a former member of both the Canadian and New Brunswick Advisory Councils on the Status of Women, and having been active in the creation of a shelter for battered women in Saint John, I am only too painfully aware of the reality of family violence. The situation is far too complex and far too serious to let such statements as that made by Senator Cools go by without comment.

The Library of Parliament was unable to provide me with any national or international statistics to support Senator Cools' statement. However, in a study done in 1991 by the House of Commons Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women, one witness is quoted as saying:

> Children who witness violence usually directed at their mothers experience an insidious form of child abuse. Most bear life-long scars from watching their mothers being abused...they feel robbed of the affection and support of their mothers and they exhibit physiological symptoms similar to those of children who are physically abused.

Are we to take a statement such as this and use it to blame mothers for turning their children into abusers? To do so would

be to roll back the clock 30 years and pick up the age-old patriarchal argument of blaming the victim and claiming family violence to be a private matter.

Research has shown that abusive men characteristically blame their victims for making them act violently. If we do the same, are we as a society any less guilty for the violence that is perpetrated against women and children? Surely the painstaking work of women's groups across the country cannot be undone so easily.

Studies have shown that the mothers of abusers are too passive and submissive. In other words, they adhere to the traditional image of female behaviour that our society accepts. Another characteristic of these mothers is that women from abusive homes are more likely to enter into relationships with abusers when they become adults. This does not, however, make these women into abusers themselves.

Canadian studies show that women who have been victims of abuse as children grow up to have debilitating illnesses such as migraines and eating disorders, as well as high instances of alcohol and drug abuse, prostitution and suicide. The violence they do is to themselves, not to their children.

The phenomenon can only be understood by examining the social context of women's lives. A resource manual for confronting domestic violence, published by the United Nations in 1993, points to the social acceptability and tolerance for family violence as the reason that it is so prevalent. As long as women are kept in a position of social, political and economic inferiority to men, violence against women and children will continue.

I strongly suggest that a public apology by my colleague, Senator Cools, to the women of Canada would be in order.

**The Hon. the Speaker:** Honourable senators, the time for statements is over, but I noted that Senator Kinsella had tried to rise on several occasions. Would it be agreeable that we hear from him?

**Hon. Senators:** Agreed.

## UNITED NATIONS

### INTERNATIONAL DAY FOR THE ELIMINATION OF RACIAL DISCRIMINATION

**Hon. Noël A. Kinsella:** Today being March 21, I am sure that all honourable senators would not want the day to pass without this chamber marking the fact that today has been declared the International Day for the Elimination of All Forms of Racial Discrimination.

As honourable senators will recall, this particular day is the anniversary of the racially motivated massacre that occurred in Sharpeville, South Africa, 35 years ago today. One can note with some degree of satisfaction that circumstances have much improved over the years, and thus Her Majesty Queen Elizabeth II is presently in Cape Town.

We all can be proud of the role played by successive Canadian governments which had firmly, forcefully and repeatedly condemned the practice of apartheid as abhorrent and a gross violation of fundamental human rights.

Honourable senators will also recall that in October of 1970, Canada ratified the United Nations International Convention on the Elimination of All Forms of Racial Discrimination. Article 2 of this convention provides that:

> State parties condemn racial discrimination and undertake to pursue, by all appropriate means and without delay, a policy of eliminating racial discrimination in all its forms, and promoting understanding among all races.

To this end, to guarantee all of the rights recognized by the convention, including such rights, honourable senators, as:

> 5(a) The right to equal treatment before the tribunals and all other organs administering justice.

In the past, honourable senators, the Government of Canada has developed a number of programs designed to eliminate racial discrimination. The former government's Ministry of Multiculturalism and Citizenship gave high focus in its race relations work, and, as you will recall, Parliament passed legislation a couple of years ago to establish the Canadian Race Relations Foundation.

It is important that this leadership role not be eroded, but rather that the Race Relations Foundation be set in place and that the Government of Canada maintain effective machinery within the organization of government to provide the necessary leadership in the struggle against racism and the promotion of our Canadian constitutional and legislative values of diversity and equality, irrespective of race, ethnic origin or ancestry.

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# ROUTINE PROCEEDINGS

## UNEMPLOYMENT INSURANCE ACT

### BILL TO AMEND—REPORT OF COMMITTEE

**Hon. M. Lorne Bonnell,** Chairman of the Standing Senate Committee on Social Affairs, Science and Technology, presented the following report:

Tuesday, March 21, 1995.

The Standing Senate Committee on Social Affairs, Science and Technology has the honour to present its

SIXTH REPORT

Your committee, to which was referred Bill C-216, an Act to amend the Unemployment Insurance Act (jury service), has, in obedience to the Order of Reference of March 1, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

M. LORNE BONNELL
*Chairman*

**The Hon. the Speaker:** When shall this bill be read the third time?

On motion of Senator Bonnell, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## INCOME TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Michael Kirby,** Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Tuesday, March 21, 1995.

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

FIFTEENTH REPORT

Your Committee, to which was referred Bill C-59, an Act to amend the Income Tax Act and the Income Tax Application Rules, has, in obedience to the Order of Reference of March 1, 1995, examined the said Bill and now reports the same without amendment

Respectfully submitted,

MICHAEL KIRBY
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Kirby, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Wednesday, March 22, 1995, at one thirty o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## FUTURE OF AGRICULTURE IN CANADA

AGRICULTURE AND FORESTRY COMMITTEE AUTHORIZED TO CONTINUE SPECIAL STUDY

**Hon. Dan Hays:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*a*), I move:

That, notwithstanding its order of reference of June 7, 1994, the Standing Senate Committee on Agriculture and Forestry be authorized to continue its special study on the future of agriculture in Canada, and

That the committee present its report no later than June 30, 1995.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF THE SENATE

**Hon. Dan Hays:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*a*), I move:

That the Standing Senate Committee on Energy, the Environment and Natural Resources have power to sit at 3:30 o'clock in the afternoon, Tuesday, March 28, 1995, and Tuesday, April 4, 1995, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Hon. M. Lorne Bonnell:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*a*), I move:

That the Standing Senate Committee on Social Affairs, Science and Technology have power to sit at 3:15 in the afternoon today, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## MEXICO

PRESENT STATE OF AFFAIRS—NOTICE OF INQUIRY

**Hon. Peter A. Stollery:** Honourable senators, I give notice that on Tuesday, March 28, 1995, I will call the attention of the Senate to the situation in Mexico.

# QUESTION PERIOD

## ATLANTIC CANADA OPPORTUNITIES AGENCY

### CUTS BY MINISTER TO NATIONAL DEFENCE ADJUSTMENT FUND—GOVERNMENT POSITION

**Hon. Gérald J. Comeau:** Honourable senators, my question is for the Leader of the Government in the Senate and it concerns the decision to cut millions of dollars from the National Defence Adjustment Fund.

The Minister for the Atlantic Canada Opportunities Agency has done it again. It has come to my attention that he took it upon himself to cut the funding allocated by the Department of National Defence under that program to Atlantic Canada. That fund was implemented to assist communities hurt by the base closures announced in the 1994 budget. The defence minister promised the funding when he authorized the closing of military bases back in 1994.

Can the leader please advise honourable senators whether the Prime Minister will restore the funding, or will this be another broken promise?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will take Senator Comeau's question as notice and try to get information on the funding as it was originally proposed. I understand that his concern relates to the funding proposed under last year's budget. I will seek to get that and any other information that may apply under the current budget.

**Senator Comeau:** Under the program, the funding was allotted by the defence department. What concerns me in this case is that the minister for ACOA, through no authority provided by the minister or the Department of National Defence, simply took it upon himself to make the cuts. If the cuts were to be made, it would have been more appropriate had the defence minister made them. The cuts amount to $10 million.

**Senator Fairbairn:** Honourable senators, I will look into that matter with both ministers and get an answer for my honourable friend.

## TRANSPORT

### SEARCH AND RESCUE—REPLACEMENT OF SEA KING AND LABRADOR HELICOPTER FLEETS—EFFECT OF REPLACEMENTS ON VIABILITY OF CANADIAN FORCES BASE SHEARWATER—PERFORMANCE STANDARDS FOR REPLACEMENTS

**Hon. J. Michael Forrestall:** Honourable senators, my question is for the Leader of the Government in the Senate. It is a follow-up to questions I have been asking over a period of several years regarding the search and rescue and maritime fleet helicopter replacement program. It has been about four months since I last raised the issue. Is the minister in a position to advise us?

This matter comes to mind because we have recently learned that a group called the Canadian Search and Rescue Helicopter Project and the Maritime Helicopter Project have been set up specifically to allow for the continuation of search and rescue and maritime surveillance from our warships. Could we ask the minister for an update as to where this matter stands?

At the same time, to avoid a supplementary question because the subject is closely related, I have a question about the closure of Canadian Forces Base Shearwater. This base was a primary base for the maritime search operation, for training, overhaul and maintenance. Does the minister have a positive response with respect to the replacement program? If so, would she ask her colleague the Minister of National Defence whether, with the replacement of the Sea King, the base at Shearwater could then find an further ongoing functional role in this regard?

I thank the minister for her earlier considerations. It is important that we get on with this matter. People need to be kept up to date with respect to replacements for both the Labrador and the Sea King.

Perhaps the minister can obtain for us the performance capabilities which have been set out for the replacement equipment?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Forrestall for his question. I am very much aware that this is not the first time he has sought information on this subject. As he has indicated, projects are in place to consider replacements going into the next century. I cannot give the honourable senator a definitive answer today as to when this work will be complete. However, teams are on the job studying various procurement options with a view to satisfying operational requirements.

I will speak again with the minister to see how much more explicit I can be in this regard. Indeed, in terms of the replacement aircraft, I will ask the question regarding Shearwater to see what answer I can obtain. It depends, of course, on how the project teams are working.

I am not sure that I can come up with an answer to the honourable senator's third request. However, I will try.

## NATIONAL DEFENCE

### PURCHASE OF UPHOLDER CLASS SUBMARINES—COST TO GOVERNMENT

**Hon. Norman K. Atkins:** Honourable senators, my question is for the Leader of the Government in the Senate. Is she in a position to tell us where the government is in terms of purchasing four Upholder Class submarines from the Royal Navy?

It is my understanding that the cost of purchasing four submarines will be somewhere around $800 million. Can she tell us what the actual costs will be? Given the recent budget, where will the Department of National Defence find the money?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to forward the question of the honourable senator to the Department of National Defence.

When this issue was dealt with last, there was a question concerning some discussions about the possibilities vis-à-vis the submarine issue. I will try to find out at what stage those discussions might be. If at this stage there are any explicit cost projections available, I shall endeavour to find out.

POSSIBILITY OF PURCHASE OF NUCLEAR-POWERED VESSELS—
GOVERNMENT POSITION

**Hon. Norman K. Atkins:** Honourable senators, will the minister also inquire as to whether the department is looking into diesel-powered vessels, or is it examining the possibility of nuclear-powered vessels?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I shall do my best in that regard.

## POST-SECONDARY EDUCATION

CANADA SCHOLARSHIPS PROGRAM—EFFECT OF CUTS—
POSSIBILITY OF REPLACEMENT—GOVERNMENT POSITION

**Hon. Ethel Cochrane:** Honourable senators, my question is directed to the Leader of the Government in the Senate. The government, and the Minister of Human Resources Development in particular, have placed tremendous emphasis on the importance of education and training of young people in order for them, and for Canada, to compete in the labour market of the 1990s and beyond. In light of such an emphasis, why has the government put an end to the Canada Scholarships Program?

**Hon. Joyce Fairbairn (Leader of the Government):** Quite frankly, honourable senators, I cannot answer the Honourable Senator Cochrane's question today. I will seek an answer for her as soon as possible.

**Senator Cochrane:** Honourable senators, while the Leader of the Government is doing that, would she also find out if there are any plans to replace the Canada Scholarships Program with some other program?

**Senator Fairbairn:** Honourable senators, I shall be glad to do that.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have delayed answers to questions raised in the Senate on December 1, 1994, by the Honourable Senator Ottenheimer regarding Bosnia; on December 15, 1994, by the Honourable Senator Andreychuk regarding the compensation of Canadians for past injustices; on February 16, 1995, by the Honourable Senator Sylvain regarding the peacekeeping costs charged to departmental budgets; on February 16, 1995, by the Honourable Senator Robertson regarding HIV infection in women; and on February 28, 1995, by the Honourable Senator Atkins regarding the privatization of Canadian National.

## BOSNIA

CONDITIONS FOR CONTINUATION OF PEACE-KEEPING
MISSION—VISIT OF UN SECRETARY-GENERAL—
GOVERNMENT POSITION

*(Response to question raised by Hon. Gerald R. Ottenheimer on December 1, 1994)*

Secretary-General Boutros Boutros-Ghali visited Bosnia in early December 1994 in order to obtain from the parties to that conflict that they reaffirm their commitment to the peace process.

The Secretary-General tried to convey two positive messages, responses to which would directly condition his recommendation to the Security Council regarding the future of the UN Mission in Former Yugoslavia. Canada fully supported this initiative. These messages were:

- First, that all parties must continue to negotiate in good faith with his Special Representative, Mr. Akashi, and his key subordinates, both political and military;
- Second, that UNPROFOR must have complete freedom of movement throughout Bosnia and the full cooperation of all parties in the execution of UNPROFOR's mandate, particularly the delivery of humanitarian aid.

Mr. Boutros Boutros-Ghali met with both Bosnian Muslims and Croats but unfortunately was unable to meet with the Bosnian Serb side who insisted that such a meeting take place in Serb held territory.

In his subsequent report to the Security Council, the Secretary-General reported some progress on the question of freedom of movement but was not confident that conditions were auspicious for substantial advances in the peace process.

In the intervening period Contact Group efforts and the Carter Initiative have produced some positive movement. At this stage, the resultant ceasefire and cessation of hostilities Agreement, except for the Bihac area, are holding but are very fragile.

Boutros-Ghali does not determine whether UNPROFOR remains or withdraws from the Former Yugoslavia; this decision is reserved to the Security Council. The Security Council, of course, will, inter alia, take into consideration the views and recommendations of the UN Secretary-General. It is expected that his Report on the situation in UNPROFOR will be tabled at the end of March. Essentially, the Secretary-General's bottom line is that UNPROFOR continues to make a serious contribution to the resolution of the ongoing conflict, in cooperation with the effort of the Security Council, the Contact Group and other involved actors. In this regard, even the minimum adherence to fragile ceasefires and continued dialogue would result in the determination to continue the efforts of UNPROFOR. Widespread denial of freedom of movement for the Force and/or direct threats to members of the Force would, in all likelihood, lead to the Secretary-General's recommendation to withdraw UNPROFOR.

President Tudjman's demand that UNPROFOR withdraw from Croatia has resulted in intensive efforts to achieve a compromise solution. It is widely held that the absence of any UN presence in Croatia would inevitably lead to an outbreak of widespread violence in Croatia with serious consequences for Bosnia, as well. In recent days, there have been strong indications that concerted international efforts have had a positive impact and President Tudjman might compromise. The outlines of such on accommodation would

be a separate UN Force with smaller numbers. This revised force would essentially monitor a line of separation between Croatians and Serbs. If current negotiations are successful, the details of such a settlement will be outlined in the upcoming Secretary-General's Report to the Security Council at the end of March.

## HUMAN RIGHTS

### COMPENSATION TO CANADIANS FOR PAST INJUSTICES

*(Response to question raised by Hon. A. Raynell Andreychuk on December 15, 1994)*

In response to the question raised by the Honourable Senator Raynell Andreychuk on December 15, 1994, regarding redress for ethnocultural communities, attached is a press release and a letter written by the Honourable Sheila Finestone, Secretary of State (Multiculturalism), to eight ethnocultural organizations. You will note that Mrs. Finestone's letter indicates that, "In the past, Canada enforced some immigration practices that were at odds with our shared commitment to human justice. Canadians wish those episodes had never happened. We wish those practices had never occurred. We wish we could rewrite history. We wish we could relive the past. We cannot."

Further the letter also states that, "We can and we must learn from the past. We must assure that future generations do not repeat the errors of the past."

Finally, the letter also states that, "Indeed, we believe our obligation lies in acting to prevent these wrongs from recurring. The Government will continue to take concrete measures to strengthen the fabric of Canadian life by combatting racism, prejudice and discrimination through education, information and the promotion of the values of fairness."

As Canadians, we are proud that our citizens trace their origin to every part of the world. Together, we have built this country on the principles of fairness, generosity and compassion.

Our history records the remarkable success we have achieved by applying those principles. Our history also records that, at times, we have strayed from them. There have been episodes that have caused suffering to people. In the crisis atmosphere of war, some Canadian ethnocultural communities found their loyalty questioned, their freedom restrained and their lives disrupted.

In the past, Canada enforced some immigration practices that were at odds with our shared commitment to human justice. Canadians wish those episodes had never happened. We wish those practices had never occurred. We wish we could rewrite history. We wish we could relive the past. We cannot.

[ Senator Graham ]

We can and we must learn from the past. We must assure that future generations do not repeat the errors of the past.

Seeking to heal the wounds caused by the actions of previous governments, six ethnocultural communities have requested redress and compensation totalling hundreds of millions of dollars. The Government understands the strong feelings underlying these requests. We share the desire to heal the wounds.

The issue is whether the best way to do this is to attempt to address the past or to invest in the future. We believe our only choice lies in using limited government resources to create a more equitable society now and a better future for generations to come. Therefore, the Government will not grant financial compensation for the requests made.

Indeed, we believe our obligation lies in acting to prevent these wrongs from recurring. The Government will continue to take concrete measures to strengthen the fabric of Canadian life by combatting racism, prejudice and discrimination through education, information and the promotion of the values of fairness.

We have already made progress. The Canadian Charter of Rights and Freedoms now guarantees equal protection and benefit of the law without discrimination. Through the Canadian Multiculturalism Act, we are committed to the full and equitable participation of individuals and communities of all origins in shaping Canada's destiny. Through passage of the Canadian Human Rights Act and through our upholding of the International Convention on the Elimination of All Forms of Racial Discrimination, we have moved ahead in entrenching the precept of equality.

A further major step forward is the establishment of the Canadian Race Relations Foundation. The Government will proclaim the Act establishing the Foundation in the Spring of 1995. The Foundation, first proposed a decade ago, will play a fundamental role in moving towards the elimination of racial discrimination in Canada.

We honour the contribution of all those communities whose members, often in the face of hardship, persevered in the building of our land. Together, we must ensure that all Canadians can face the future with pride in Canada, in our values and in their own heritage. We are a nation of inclusion. Our task is to strive together to guarantee that the actions of this country match the principles of its people.

## NATIONAL DEFENCE

### PEACEKEEPING COSTS CHARGED TO DEPARTMENTAL BUDGET—GOVERNMENT POSITION

*(Response to a question raised by Hon. John Sylvain on February 16, 1995)*

Prior to Fiscal Year (FY) 1976-77, DND paid all the costs associated with its participation in UN missions. Payments received from the UN in settlement of National Defence

Invoices were then taken directly into departmental revenue to offset the costs incurred. The UN was frequently unable to reimburse the Department in a timely fashion. This delay in effecting recoveries from the UN created difficulties for the Department and, as a result, the Treasury Board was approached to institute an alternate funding arrangement.

In FY 1976-77, the Treasury Board provided DND with a Base Funding Level Adjustment of $10.5M, or $30M in current year dollars, to compensate for peacekeeping operations. In effect, the Department was paid in advance for peacekeeping costs. The funding base was provided with the agreement that future revenues related to UN missions would be credited to the Consolidated Revenue Fund rather than to departmental revenue. The only exception to this process is Letters of Assist (LOAs) which are formal requests from the UN to procure special items that are not available from normal sources of supply. Funds recovered under an LOA are credited to Departmental revenues.

There are currently no initiatives under consideration to alter this funding arrangement.

Cost and recoveries associated with the United Nations Protection Force (UNPROFOR) Mission in Yugoslavia (Croatia-Bosnia) are as follows ($000,000):

| FY | Full Cost to DND | Incremental Cost[1] | Potential Recoveries from UN[2] | Recoveries from UN[3] |
|---|---|---|---|---|
| FY 92-93 | 268 | 98 | 4 | 4 |
| FY 93-94 | 384 | 153 | 60 | 49 |
| FY 94-95 | 390 | 134 | 66 | 64 |
| TOTAL | 1,042 | 385 | 130 | 117 |

[1] Incremental costs are those incurred above normal operating costs.

[2] Potential recoveries are forecasts and do not represent existing claims or invoices against the UN.

[3] Recoveries may not occur in the same fiscal year in which the costs were incurred. Potential recoveries are only forecasts and do not represent existing claims or invoices against the UN.

## HEALTH

### HIV INFECTION IN WOMEN—REPORTED INCREASE IN RATE—APPLICATION OF DISCRETIONARY PORTION OF DEPARTMENTAL BUDGET—GOVERNMENT RESPONSE

*(Response to question raised by Hon. Brenda M. Robertson on February 16, 1995)*

The Government of Canada remains committed to allocating an annual amount of $40.7 million under Phase II of the National AIDS Strategy.

As recently as February 8, 1995, in an appearance before the Parliamentary Sub-Committee on HIV/AIDS, the Minister of Health indicated that one of her priorities is to ensure that the limited HIV/AIDS resources are used effectively and efficiently throughout the remaining of the Strategy.

The government is also much concerned about the recent statistics indicating that HIV infection among women is on the rise. Under the National AIDS Strategy, meeting the unique needs of women is a priority.

A federal action plan to address HIV prevention and education among Canadian women has been developed and is presently being coordinated by Health Canada.

The HIV/AIDS trend in women is upward. There is an alarming increase in sexually transmitted disease among young Canadian women (15-24 years of age) and many of these diseases are known to increase susceptibility to becoming HIV infected.

Although women comprise less than 6% of all persons with AIDS, there is no evidence to suggest that the epidemic in females is declining. The continuing incidence of new infections in women suggests that more cases of AIDS in Women is yet to come.

The following are specific initiatives undertaken by Health Canada under the National AIDS Strategy:

* **COMMUNITY HIV PREVENTION PROJECT, NEWFOUNDLAND**

This project with the Eastern Newfoundland Health Unit will address the high incidence of HIV infection among women in the Conception Bay area of Newfoundland. It involves a comprehensive approach, including education and prevention, epidemiological data collection, and care, treatment and support.

* **PILOT TEST OF THE CANADIAN HEMOPHILIA SOCIETY (CHS) EVALUATION MODEL AS PART OF THE ALBERTA MEDICAL ASSOCIATION'S PILL AND CONDOM CAMPAIGN.**

The Alberta Medical Association will pilot the CHS planning and evaluation model as part of the province-wide "Pill and Condom Campaign". The campaign, which was successfully implemented in Calgary, encourages physicians to include a condom and an educational message with all packages of birth control pills prescribed to women.

* **PROFESSIONAL DEVELOPMENT PROJECT WITH THE SOCIETY OF OBSTETRICIANS AND GYNAECOLOGISTS OF CANADA.**

The Society of Obstetricians and Gynaecologists of Canada, through its Social and Sexual Issues Committee, is developing an educational plan for its members incorporating the principles of health promotion and healthy sexuality. The plan will address HIV counselling and testing issues for women, care of infected women, contraception, reproductive choice, care of the pregnant HIV-infected woman, and drug therapies.

* **DETERMINANTS OF HIV — RELATED RISKS BEHAVIOUR**

This project involving a network of small innovative studies will support exploratory community-based research on the dynamics of risk behaviour in women at high risk.

## TRANSPORT

PRIVATIZATION OF CANADIAN NATIONAL— REOPENING OF NEGOTIATIONS WITH CANADIAN PACIFIC— GOVERNMENT POSITION

*(Response to question raised by Hon. Norman K. Atkins on February 28, 1995)*

As announced in the Minister of Finance's Budget speech on February 27, the government has decided to privatize Canadian National Railways.

The mechanics of the sale have not been determined yet but it is not the government's intention to reopen negotiations with CP Rail System or to begin negotiating with foreign rail companies.

Instead, the government intends to sell its stake in CN through a public share offering when market conditions are favourable. This will ensure that Canadians continue to have a voice and a stake in the future of Canada's largest transportation company.

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# ORDERS OF THE DAY

## YOUNG OFFENDERS ACT

BILL TO AMEND—SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Stanbury, seconded by the Honourable Senator Olson, P.C., for the second reading of Bill C-37, An Act to amend the Young Offenders Act and the Criminal Code.

**Hon. A. Raynell Andreychuk:** Honourable senators, in replying to Bill C-37, an act to amend the Young Offenders Act and the Criminal Code, what is most worrisome are not the specific amendments *per se*. What is confusing and unsettling is the fact that the government has not put forward its rationale and philosophy for dealing with young offenders.

When the Young Offenders Act was passed, it had a stated philosophy naming three principles. Already at that time, some compromises had to be reached which served to water down those principles. Further amendments were brought forward in 1986 and 1992 to give the act greater flexibility and to impose tougher sentences for violent crimes. However, those amendments were still within the spirit of the philosophy of the Young Offenders Act.

The amendments contained in Bill C-37 continue to extend the act in such a way as to completely water down those fundamental principles. In fact, I believe it is a perception shared by Minister Rock, since he has put forward these amendments as phase one while simultaneously announcing a comprehensive review of the act to be undertaken in phase two. I can only assume that he has come to the conclusion that by yielding to public pressure in putting forward these amendments, no sustained approach can be argued. Therefore, the concern with Bill C-37 is simply: Where is the Young Offenders Act headed? In what direction are we going?

Honourable senators, I spent some 12 years as a youth court judge during which I handled hundreds of cases annually. It is within this context that I am able to make the following comments.

Canada as a society has been concerned with its youth, and has taken on the role of supporting parents in the rearing of children. At a minimum, we have been mindful to pass laws that will help children grow and develop in a positive environment while enjoying the best resources that we can offer. This has been balanced with the need to impress upon young people that they are responsible for the consequences of their actions, to the extent that they are able to do so.

While we are far from determining the causes of youth crime, it is generally accepted by most that the younger the offender, the more likely the rehabilitation will be successful. It is noteworthy that, in Canada, we are prepared to understand that each young person develops differently according to genetics, environment and influences.

However, the type of society in which the young person finds himself is very much controlled by adults, be they parents, the community or the government. Therefore, there is at least a moral duty, if not a legal one, for the adult population to be concerned and to be involved in the appropriate development of children.

Therefore, the struggle has always come down to how to determine what to do in the best interests of young people, versus how to make young people accountable to, and respectful of, the laws. One might ask if this is also not the general aim of the adult penal system. However, in the adult system, the basic underpinning of our criminal law is that all people are equal before the law.

If, as adults, we are able to form the intent to commit the crime, then status, level of intelligence, economic status and other distinguishing criteria are not to be taken into account in any way. It is only in the sentencing stage that we take into account the individual's particular status and capacities.

On the other hand, with respect to youth, society as a whole has made the distinction that the age of reason is a factor that must be considered, and that young people do not have the full, mature capacity to understand the consequences and import of their acts. Further, to presume in criminal law that they do would be unjust and counterproductive to rehabilitation.

• (1450)

Society has never been clear as to when that age of reason occurs. Of course, this is explainable. As we grow and mature, we are given more responsibilities because of our ability to assume them. Therefore, societies have always struggled in deciding when a person should be able to vote, drive a car, drink liquor, or when they will be fully accountable for their criminal acts. The Young Offenders Act chose a model that eased youths into adulthood. Subsequent amendments pushed accountability more quickly onto the young offender. This fact, coupled with the amendments contained in Bill C-37, serve only to cloud the purpose of the youth justice system with inconsistencies and incongruities.

It is often said that children today are not so different from the children of yesterday in terms of maturation and development. What is different, however, is the type of society that young people live in. It should come as no surprise to my honourable colleagues that the world young people now live in is not the world we grew up in. The problems facing young Canadians are numerous and increasingly complex. In recent years, youth unemployment has decreased and levels of child poverty have increased. Furthermore, we as adults have given young people more freedom, different family lifestyle alternatives and structures, more mobility, more information — both positive and negative — through the communications media, and an environment in which there is more prevalent use of drugs and more violence. It is small wonder that a maturing mind reaches for negative as well as positive alternatives.

Have we as a society stopped and sufficiently taken into account the ramifications of the changes we have made in Canada and around the world? Have we analyzed how these changes may affect children and how our structures, resources and actions affect children? It is not just an issue of making children accountable in society, as adults must also be accountable. If the contributing factors alluded to earlier, as well as childhood neglect and disadvantage, are not altered or interrupted, there is a strong likelihood that delinquency and crime will develop in sequence over time. Any changes to the youth justice system must take into account, not only the proper punishment for crime, but also the problems facing today's youth in general.

Before turning to the amendments currently before us, it would be useful to outline the two previous pieces of legislation amending the Young Offenders Act, which was enacted in 1984. Bill C-106 was passed in June 1986. It included new exceptions to the limitations on disclosure by permitting youth courts to allow, at the request of the police, the publication of the youth's identity to assist in the capture and arrest for an indictable offence. This bill also empowered youth courts to impose consecutive sentences for crimes committed by young offenders.

The Young Offenders Act was further amended as recently as April 1992. Bill C-12 allowed the courts greater flexibility in sentencing youths who are found guilty of murder. It permitted youth court judges to impose longer sentences, and it made it easier to transfer accused youths to adult court. It increased the maximum sentence for first and second degree murder from three years to five years. In the case of transfers to adult court, it stipulated that where the principles of rehabilitation and public protection were irreconcilable, the latter principle must be found paramount.

I am sure that I do not need to remind honourable senators that it was the previous Conservative government which took these important steps.

It is clear that these two important pieces of legislation were enacted by the previous government in the name of public protection. After considering the previous amendments to the Young Offenders Act, it becomes apparent that the amendments proposed in Bill C-37 are in the same vein but go much farther. We are looking at another amendment seeking to toughen the Young Offenders Act.

Bill C-37, honourable senators, contains amendments that can be grouped into three categories. First, it toughens the Young Offenders Act for youths found guilty of violent offences; second, it emphasizes rehabilitation and non-custodial sentences for non-violent crimes; and, third, it enhances the sharing of information regarding young offenders.

The get-tough aspect of the legislation seeks more punitive sentences for youths found guilty of violent offences which include murder, attempted murder, manslaughter or aggravated sexual assault. For example, whereas the maximum sentence for murder is currently five years less a day, Bill C-37 increases the maximum penalty for murder to seven and ten years for second and first degree murders respectively.

This new bill, C-37, also reverses the onus regarding transfers to ordinary court. Currently, a youth 14 or older charged with an indictable offence may be proceeded against in adult court if the court deems it necessary. The proposed legislation reverses the onus by sending all youths charged with violent offences to adult court, unless a youth court is convinced that the objectives of public protection and rehabilitation can be achieved in youth court.

As mentioned earlier, the difficulty with Bill C-37 is that it serves to cloud the purpose of the youth justice system. This is particularly true of the amendment which reverses the onus for transfers to adult court. It has pushed the limits so close to adult court, particularly for 16- and 17-year-olds, and made the line in between so blurred and confusing that it can very easily become counterproductive to either society's wish to protect itself or, indeed, to society's wish to help and rehabilitate young offenders.

With the complexity of the new amendments, young offenders will be confused, at best, or great manipulators of the system, at worst. This being the case, it calls into question the rationale behind having two separate systems in the first place. We need a just system that is clear, precise, and one that Canadians can reasonably expect to understand. This may very well mean re-examining the age at which we consider a youth to be an adult or capable of forming the proper intent. At what age do the decision-making processes change? These important questions regarding age are nowhere to be found in the proposed amendments. It is therefore imperative that they receive significant attention in the second phase.

With regard to the significant increases in the sentences for first and second degree murder, I caution honourable senators that we react to facts rather than misperceptions. This is especially important when considering that the most recent amendments to the Young Offenders Act, which also increased sentence lengths, have not yet had a chance to be evaluated. At a reported cost of up to $300 a day, increased lengths of incarceration come at a considerable expense to the Canadian taxpayer, and their merits as a long-term deterrent to criminal behaviour have little supporting evidence. In fact, many studies show that the longer periods of incarceration serve only to breed criminal behaviour rather than to deter crime. This, then, is only a short-term measure to hopefully ensure public safety.

Will these amendments simply "warehouse" our youths? What good can come of this? Indeed, Professor Nicholas Bala is right to say that Bill C-37 is counterproductive. I am sure that Mr. Rock agrees that society will get only a short reprieve from some criminal elements, but we will exacerbate the problem and end up with criminals who are more hardened and dangerous. Our only hope is that phase two will show this, and we will place the welfare of young people as a priority for our attention and our resources.

Simply increasing incarceration does not deal with the root cause of the crime. Often, important societal inequalities are exacerbated in the justice system. Take the case of aboriginal groups, for example. In my home province of Saskatchewan, 70 per cent of the young offenders in custody are aboriginal youths. This number is obviously vastly disproportionate to the population. Locking them up for longer periods of time ignores the real problems that led these young people to crime in the first place.

Supported by research and personal experience, aboriginal groups detail the hardships and perceived prejudicial treatment their young persons experience in formal youth justice systems. The same can be said for youths belonging to ethnic gangs in Canada's major metropolitan centres. Are their needs being met? Are their circumstances being considered? Is it inevitable that the young person who comes out of such a justice system is embittered, outraged and probably less apt to accord any legitimacy to the system? This is obviously not a desirable outcome. For young people, we must look to the situation from which the behaviour originated rather than solely considering the offence.

• (1500)

The emphasis on rehabilitation is demonstrated in Bill C-37's preference for non-custodial dispositions for non-violent offences. When considering a custodial sentence, youth courts are to ensure that custody be imposed only after consideration of all reasonably available alternatives. Youth courts are also required to give reasons for issuing a custodial disposition. Bill C-37 also sets out limitations on the use of secure custodial dispositions. This change is based on the principle that the least degree of restraint is desirable. The stated rationale behind these amendments is that the protection of society, which is supposedly the goal of this legislation, is best accomplished through rehabilitation.

I should like to commend this emphasis on rehabilitation for non-violent offenders. I believe that by using the least intrusive disposition, the rights and best interests of youths at risk will be duly considered. These amendments call for more creative, community-based programs to be made available to non-violent offenders. This is desirable if we ensure that these programs are implemented in a way that makes youths accountable in a realistic manner, while ensuring that they are given the opportunity to learn and grow as individuals. A hands-off bureaucratic approach is simply not the answer. We need to get into the process community groups and clubs that clearly have an interest in the well–being of our youth. Non-custody alternatives can involve accountability, which is more challenging, stimulating and rewarding. When considering long-term solutions to crime, experts advocate that public safety can best be ensured through rehabilitation.

Although the measures dealing with non-violent offenders appear to be on the right track, I am not holding my breath. These programs are in need of adequate funding. One need not go too far back to remember the difficulties encountered with regard to funding of the Young Offenders Act or even the Juvenile Delinquents Act before it. The failure of these acts was not putting in the requisite resources to make them viable. Upon review of the Department of Justice statistics, it is easy to see that the sentences for young offenders have increased, giving them a further measure of protection for society. It is equally clear that judges in youth court have few rehabilitative techniques and community-based programs at their disposal for non-violent offenders. They are in short supply. While we were attempting to find these resources, young people have not been dealt with appropriately and consequently find themselves escalating their negative behaviour.

I recall that when the Young Offenders Act was being debated in the early 1980s, rehabilitation was to be the key. I also recall the provinces indicating that operating open and secure custodial services would demand a much higher utilization of already scarce resources. In other words, we were already conceding that it would take a monumental task to supply the resources that could lead to true rehabilitation. Also, with the passing of the Young Offenders Act, some provinces had to move the maximum age from 16 to 18, further compounding the lack of resources available.

What should lead us to believe that, in these times of economic restraint and with fewer resources going from the federal government to provincial governments, we will be in a better position to increase our attention to rehabilitation? Bill C-37 gives no assurances as to the critical issue of funding. Yet these amendments continue to stress non-custodial care and rehabilitation. Anyone working with young offenders knows that rapid response with appropriate resources is the only way to change behaviour. Too often as a youth court judge I found myself facing delays and a lack of resources, when dealing with young persons who continued to offend. As I have often said, when the resources of the parents, the community and the school fail, they turn to the youth court to do something to change the behaviour of the young person. All that a youth court judge has that others do not is the disposition of custodial care. How many children can be locked up and how many times must a young

offender offend before he is locked up? In many cases, it is simply pious invocation to talk about alternate sentencing. Unless the resources and the attention of governments are put into it — which does not seem likely — a more realistic assessment of the Young Offenders Act is necessary.

Honourable senators, with regard to the protection of the privacy aspect, Bill C-37 provides additional exceptions to the rules against publication. It allows for disclosure of information to those in the community designated by the provincial Lieutenant Governor-in-Council. This is done to ensure that the safety of staff, students or other persons is taken into account. The youth court may also permit disclosure to other persons upon application to the provincial Attorney General. Regarding criminal records, Bill C-37 provides measures that permit youth court records to be kept for longer periods of time.

I am generally supportive of these changes dealing with information sharing. The provisions for more effective interaction among those who deal with troubled youth is desirable. It allows for information to go to the essential parties, such as, school representatives and social agencies. This should enhance the development of a more comprehensive and integrated response. It should be cautioned, however, that it is imperative that such information be dealt with carefully so as not to hinder the reintegration process by undue stigmatization.

Honourable senators, I should like to stress the importance of undertaking a thorough review that adequately addresses all the problems facing our young people today, not simply a review of the justice and criminal component. It is essential that we not let political motives and media sensationalism hijack the agenda. Decisions made in haste are rarely sound ones. The future rests in the hands of our young people. We owe it to them to do our best to ensure that their best interests are met.

I ask Minister Rock to step back and take a fresh look at the youth justice system in order to get to the heart of the issue. The question he should ask himself is: What do we want our youth justice system to look like in the 21st century?

The government would have us believe that this bill is timely because Canada is in the midst of a youth crime crisis. That is simply not the case. Research and statistics, including studies done by the Department of Justice, indicate otherwise. Canada's youth crime rate has remained stable in recent years. Young offenders charged with murder actually fell to 32 in 1993 from 45 the year before. In fact, the greatest number of murders committed by youths 12 to 17 was 68 in 1975. As well, youth crime accounts for only a small percentage of the overall crime rate. Of the 32 murder charges in 1993, only six were random acts, with the others being motivated by various reasons, such as hate or substance abuse.

As abhorrent as these six murders are, and in no way meaning to justify the other 26, this statistic calls into question the notion that the public need live in fear.

If we are putting our resources toward public protection, one might look instead to other problems. For example, in 1992, 132,377 impaired driving accidents were reported by the police. Impaired driving, of course, is a contributing factor, and it is estimated that it is a factor in 1,800 deaths and 60,000 injuries each year. We must make sure we are targeting the real problem areas and not the lesser ones.

The facts I have just outlined tell an important story. Evidently we are not in a youth crime crisis. This being the case, it appears that the Minister of Justice has caved in to political pressures. Indeed, when he appeared before the House of Commons Standing Committee on Justice and Legal Affairs, the minister conceded:

> The change we proposed in connection with the maximum sentence for murder has nothing to do with statistics...

He goes on to say that it is a matter of principle. The Minister of Justice should note that principle alone cannot offer an adequate response. It must be backed by statistically proven arguments. It is unwise to look at one to the exclusion of the other. The principles we are applying must be responsive to the problems we are addressing.

Also worthy of mention is the fact that the impact of the 1992 amendments have not yet been assessed. For example, does it make sense to make changes to the maximum sentences considering that these maximum sentences were increased less than three years ago? The issue of youth crime is one that deserves careful consideration rather than hasty measures.

In conclusion, I should like to say that this bill contains some worthwhile changes and some changes which are doubtful at best. However, that is not my main point. The fact of the matter is that we cannot continue to proceed with piecemeal measures that serve only to cloud our youth justice system. We need to get back to the core issue, and that is to provide Canadians, in particular Canadian youth, with a youth justice system that is fair, effective, and adheres to the long-term notion of public safety.

Honourable senators should keep in mind that legislation is only one part of the solution. It is important to understand that merely changing the laws dealing with youths will not achieve the goal of preventing youth crime in Canada. We must also be able to deal effectively with the problems of poverty, substance abuse, family violence, parental neglect, changing moral values, glorification of violence, inequality, racism and illiteracy, just to name a few. It is my feeling that the proposed amendments do not adequately take into account these problems and do not seek to understand the youths they are put there to deal with.

It is interesting to look at the problem of youth crime in Canada from an historical perspective. In 1908, when legislating the Juvenile Delinquents Act, the predecessor of the Young Offenders Act, Minister of Justice Aylesworth stated that his bill was intended to obviate the necessity for children accused of crimes being tried before ordinary tribunals. Then when proposing the Young Offenders Act in 1981, the Solicitor General outlined the basic thrust of the act as being a balance between the needs of young offenders and the interests of society. Now we are here in 1995 and it appears that Minister Rock has brought us full circle. We are still vacillating on the distinction between youth and adult justice systems. It is apparent that the time has come for a comprehensive review. We must ascertain in which direction we want to take with our youth justice system. I wish the Minister of Justice the best of luck in this regard.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## VISITORS IN GALLERY

**The Hon. the Speaker:** Before we proceed to other items on the Order Paper, I should like to draw to the attention of honourable senators the presence in the gallery of representatives of the Canadian and Manitoba Beet Growers Associations, who held their national convention here in Ottawa this past weekend.

**Hon. Senators:** Hear, hear!

## BANKING, TRADE AND COMMERCE

STUDY OF STATE OF CANADIAN FINANCIAL SYSTEM—CONSIDERATION OF REPORT—DEBATE CONTINUED

On the Order:

> Resuming the debate on the consideration of the thirteenth report of the Standing Senate Committee on Banking, Trade and Commerce, entitled "Regulation and Consumer Protection in the Federally-Regulated Financial Services Industry: Striking A Balance," tabled in the Senate on November 22, 1994.—(*Honourable Senator Angus*).

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, while I do not wish to spend a lot of time engaging in this particular debate, I do have a couple words to say that I would prefer to say at some later time. Rather than try to fool you into thinking that my motive is pure, my real motive is to breathe new life into this motion because I have a couple of colleagues who are interested in speaking on it. In order to get this back to day one and the clock ticking again from the beginning, I move the adjournment of this debate.

On motion of Senator Berntson, debate adjourned.

[*Translation*]

## THE BUDGET 1995

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Spivak, calling the attention of the Senate to the budget presented by the Minister of Finance on Monday, February 27, 1995. — (*Honourable Senator Bacon*).

**Hon. Lise Bacon:** Honourable senators, when it brought down its budget on February 27, the federal government acted decisively to rein in the deficit that is eating away at our economy and to start paying back this enormous debt that has mortgaged our future.

Canada intends to meet the challenges of the year 2000 and remain one of the best countries of the world, but it cannot hope to do so unless it restores the fiscal health of this country.

We know that these are the most vigorous budgetary measures introduced by a federal government in 50 years. Canada had no choice. Reducing the deficit is important if we want a healthy economy, which in turn is necessary to ensure the future health of our social programs and maintain our standard of living.

We have the best rate of economic growth of any G-7 country. Last year, 433,000 full-time jobs were created. Economic growth peaked at 4.5 per cent, our best performance in six years and the highest rate among OECD countries. Canada's exports have never been higher.

However, there is a very real threat to the economic future of this country because of a debt of $500 billion, which makes us extremely vulnerable to swings in interest rates. This makes it imperative for the government to be firmly committed to creating the kind of economic climate we need to take full advantage of the resources we have.

The budgetary measures introduced by the government are aimed at reducing the deficit to 3 per cent of GDP by 1996-97. Some people claim that the markets dictated the content of this budget. My answer to that is that this government was guided by its commitment to building a more prosperous and more secure future.

To stabilize public finances, we had to reconsider the role and the very structures of government. We have therefore eliminated or downsized certain programs, while others have been restructured or regrouped. A number of activities will be commercialized or privatized, while others will be transferred to other levels of public administration.

Certain services such as foods and meat inspection, drug qualification and fisheries control will now be subject to cost recovery and user fees.

These changes will affect the delivery of the services provided to Canadians. It would be silly to say otherwise. We are committed, however, to carrying out the required reform in a fair-minded way and in compliance with the principles of social fairness that have always governed the actions of Liberal governments.

This budget is a major building block of our collective future, the dividends of which Canadians themselves and their children will reap in the years to come.

Honourable senators, the deficit and the debt are national problems. Canadians from all regions have asked us to cut expenditures.

Subsidies are not creating lasting employment. No one was more adamant about this than the business sector itself, and people are coming to the same conclusion all over the world.

Therefore, this is a harsh budget, of necessity, but also a fair budget. It does not target any group or region in particular. In this budget, cuts are shared equitably among industries, generations and the various regions, and the principles of equity among individuals and regions are upheld to the fullest extent.

When a specific region is affected by a massive reduction in subsidies, transitional measures have been put in place, such as the five-year, $326 million transportation adjustment program that among other things will help modernize the highway system in Atlantic Canada and Eastern Canada.

The federal government undertakes to have national standards to make sure that all Canadians, wherever they live in this country, continue to have access to social programs of comparable quality. The provinces will continue to receive federal assistance to ensure this equity.

Honourable senators, this budget clearly shows that federalism is indeed a dynamic and cooperative process. This budget illustrates a new approach to managing this federation, a simpler and more efficient approach which is more respectful of provincial areas of jurisdiction.

The federal budget gives the provinces ample leeway to address the specific needs of their residents. However, we remain firmly committed to certain national objectives and principles that a vast majority of Canadians endorse.

Canadians are proud of their health care system. Every survey shows that they are very attached to it. The principles of universality, portability and access to free health care, which are very important to Canadians, are guaranteed by law. These principles are of fundamental value to our party and our government.

The Canadian social transfer combines under one single transfer three different areas, namely social services, health and post-secondary education. This will reduce the administrative burden of the provinces while providing them with all the flexibility necessary for the development of programs that are tailored to the specific needs of their population.

This new, comprehensive transfer reduces the constraints that the federal government can impose in areas under exclusive provincial jurisdiction. It simplifies federal-provincial relations and allows each level of government to adequately play its role. It announces a new way of doing things: less paperwork and more results, which means that everything will be simpler and more efficient.

The provincial governments will have control over their own budgets and their own decisions. Therefore, they will be able to use any innovative approach that they deem appropriate. They will be accountable for their actions solely to the people of their province.

[*English*]

• (1520)

Honourable senators, the government promised in its first budget not to cut transfers to the provinces for the two years following. That promise has been kept. We wanted the provinces to have enough time to get ready. They now know the cuts will be in 1996-97, and they can start planning accordingly.

Transfers to the provinces currently amount to almost one-quarter of federal public spending in Canada. Yes, the provinces will have to cope with cuts. Such a reduction in transfers would equal about 3 per cent of aggregate provincial revenues. Those cuts will be less severe than the ones the federal government will be experiencing, on the order of three cents for every dollar of provincial revenue. The proposed reduction of 4.4 per cent in transfers to the provinces in 1996-97 is much smaller than the bite that federal programs will be feeling, 7.3 per cent for the same year. In 1996-97, social transfers to the provinces will amount to $26.9 billion. Total transfers, including equalization payments, will be about $37 billion. Equalization is one of the pillars of Canadian federalism, and the government has not altered this commitment. Equalization will be renewed for a five-year period.

As I have already noted, no region will suffer more cuts than any other. Transfers to Quebec in 1996-97 will decline by $350 million, or 3.1 per cent, less than the average of 4.4 per cent for all provinces. I would remind you that, for the same period, we will be cutting federal spending by 7.3 per cent, or almost twice as much.

All sorts of assertions have been made about old age pensions, but the truth is that the budget did not announce the end of the old age pension. On the contrary, it spelled out the principles that will guide the reform of old age security and the Guaranteed Income Supplement, a reform aimed at ensuring a decent income for older Canadians who have done so much for their country and need it the most.

In Quebec, the subsidy program for dairy farmers has not been eliminated, although it will be cut by 15 per cent as of the next fiscal year and by another 15 per cent the following year. The program's future will be decided in consultation with producers.

We recognize that closing or reducing military bases and units in Quebec will have an impact on local regional communities. However, the Department of National Defence still has installations that surplus to Canada's future military needs, despite last year's cuts.

It is in the interests of all Canadians, including Quebeckers, to reach an understanding on our shared principles and objectives. I should also point out that 69 per cent of respondents say that the federal government is on the right track, including 55 per cent of Quebeckers.

The budget is tough, but necessary and fair. The federal government has proved that it lives up to its commitments, and it is demanding nothing of other governments that it is not prepared to demand of itself. Everyone has to contribute to deficit reduction. Many people have called on the federal government to reduce the size of its bureaucracy. We are doing just that. The number of civil servants will be cut by 14 per cent over three years. Some jobs, most notably 6,000 at the Department of Transport, will be privatized. Of course, possibilities for retrenchment vary from one department to the next, but all departments are doing at least some restructuring. Seventy-three federal bodies have been eliminated and 47 others entirely reorganized. Our plan is not simply leaner government, but to reform spending structures so that savings will continue after the period covered by the plan comes to an end.

The budget takes the vigorous measures needed to meet targets set out in the Red Book. To meet those targets, we will be making cumulative savings of $15.6 billion over the next two years. Over the next three fiscal years combined, the budget provides for nearly $7 of spending cuts for every $1 in new revenues.

Apart from the changes to the size and structure of government, difficult choices have been made in the setting of priorities. In 1996-97, program spending will drop from last fiscal year's $120 billion to just under $108 billion. It is the first time in almost 50 years that program spending will have shrunk three years running.

I should like to stress what is perhaps the most important point. In 1996-97, the debt will stop growing faster than the economy. The ratio of debt to GDP will start to decline. This is vital. If Canada is to maintain its financial capability, the debt ratio must be reduced.

The budget will enable us to achieve our deficit reduction target without raising personal income taxes for the second consecutive year. For the second consecutive year, the government is refusing to fight the deficit on the backs of this country's taxpayers. Moreover, tax loopholes have been closed, and we are ensuring that big business contributes more to the war on the deficit. We are making the tax system fairer. In the end, it is all Canadians who will benefit from the restoration of good health to the country's finances.

Our philosophy is clear: Rethinking the government's role is essential for getting the economy back on track, sustaining growth and restoring confidence. We must cut spending significantly while respecting the values dear to Canadians, such as access to employment, the protection of society's most vulnerable members and the maintenance of the social safety net.

[*Translation*]

Honourable senators, less than a year and a half after we came to power, the two budgets already tabled have significantly reduced public spending and redefined the way government operates. This budget will lead to significant savings, allowing us to honour our Red Book commitment to reduce the deficit. Our ultimate goal is to start repaying this enormous debt which threatens our future by putting us at the mercy of interest rate fluctuations.

In conclusion, we are confident that Canada needs this budget, which maintains the Liberal tradition of strengthening national unity because it is firmly based on the principles of economic leadership, compassion and increased fairness.

Honourable senators, with this budget, the government is honouring its commitments and serves Canadians by creating favourable economic conditions that will enable us to face the future with confidence. The budget gives priority to reducing expenditures. Spending will be reduced by almost $7 for every dollar of new revenue. New measures will make the tax system more equitable and increase the contribution of large corporations to deficit reduction. The budget introduces the structural changes required so that the deficit will continue to shrink significantly until 1997-98 and beyond; defines a new, more effective role for federalism and the federal government in our rapidly changing economy; and meets all these goals while ensuring a fair distribution of the restriction burden among the regions.

Although this is indeed a tough budget, it is required by our economic situation and supported by Canadians.

On motion of Senator Berntson, debate adjourned.

[*English*]

## THE SENATE

### ABSENCE OF APPROVAL FOR VARIOUS PROJECTS—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Doyle, calling the attention of the Senate to the absence of Senate approval for various projects in the purview of the Standing Committee on Internal Economy, Budgets, and Administration.—*(Honourable Senator Lynch-Staunton).*

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, the story is much the same on this one. This order has reached Day 15, and I should like to breathe new life into it, since we have some colleagues who are interested in speaking on this issue at a later date. Therefore, I move the adjournment of the debate.

On motion of Senator Berntson, debate adjourned.

## TRANSPORT

### PEARSON INTERNATIONAL AIRPORT—MOTION TO STRIKE SPECIAL COMMITTEE TO INQUIRE INTO PRIVATIZATION CONTRACTS—DEBATE ADJOURNED

**Hon. John Lynch-Staunton, Leader of the Opposition,** pursuant to notice of Wednesday, March 1, 1995, moved:

That a special committee of the Senate be appointed to examine and report upon all matters concerning the policies and negotiations leading up to, and including, the agreements respecting the redevelopment and operation of Terminals 1 and 2 of Lester B. Pearson International Airport and the circumstances relating to the cancellation thereof;

That seven Senators, designated by the Standing Senate Committee of Selection no later than two weeks after adoption of this motion, act as members of the special committee, and that three members constitute a quorum;

That the committee have power to send for persons, papers and records, to examine witnesses under oath, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have the power to sit during adjournments of the Senate;

That the committee have power to retain the services of professional, clerical, stenographic and such other staff as deemed advisable by the committee;

That the committee have power to authorize television and radio broadcasting, as it deems appropriate, of any or all of its proceedings; and

That the committee present its final report to the Senate no later than one year following the striking of the committee.

He said: I want to make it clear at the outset, honourable senators, that it is with little enthusiasm that I rise to ask support for this motion. The necessity for it has arisen as a result of the refusal of the Government of Canada to institute an independent inquiry into serious charges that its ministries have made regarding the conduct and motives of hundreds — if not thousands — of Canadians directly and indirectly involved in the more than three years of negotiations which led to the conclusion of what are known as the Pearson Airport Agreements.

These charges could easily be dismissed as rhetorical excesses had they not been spat out again and again by senior members of the cabinet, including the Prime Minister himself. To spread by innuendo, insinuation and outright accusation tales of impropriety and law breaking is shameful for the government. To let them fester, masquerading as truth, is intolerable to this opposition. The principal ministerial spokesman for the Government of Canada says that those of us who occupy opposition benches are attempting to line the pockets of our friends. The House of Commons majority concurs with sheepish docility.

The Senate must not, and cannot, be in league with those who, consciously or not, are providing frightening reminders of the evils of McCarthyism, which blighted the United States in the early 1950s. Who will forget how reckless and unsubstantiated accusations of disloyalty and treason were to ruin reputations? Who will forget how the political establishment at the time reacted too slowly to the terrible injustices being done to innocent citizens?

Some who hear me today may wince at the comparison. I was a student in Washington at the time, and believe me, it is a fair comparison to anyone who remembers those wretched days and today bears witness to the tongue-lashing this Senate has taken from the government in power.

A summary of certain events is necessary to better appreciate the motion before us:

A final signature was put to the Pearson agreements 18 days before a general election. The then Leader of the Opposition, now Prime Minister, was quoted on October the 6th, 1993, as saying:

> If it is a good deal, we will sign it if we form a government... You can't make a deal like that without all the facts. The people have a right to know all the facts before they are stuck with a deal.

We agree, and such is the purpose of the motion: to allow the people to know all of the facts which the Liberal Party seemed anxious to seek out, but the Liberal government seems anxious to put aside.

On October 28, Mr. Chrétien, who was still Leader of the Opposition, announced that he had directed Mr. Robert Nixon, a former leader of the Ontario Liberal Party, to carry out a review of —

> ...matters pertaining to the privatization of terminals one and two at Pearson Airport in Toronto and to report...by November 30th.

After some 30 days of closed and sorely limited hearings and assessment, Mr. Nixon presented the new Prime Minister with his findings in which he summed up:

> My review has left me with but one conclusion. To leave in place an inadequate contract, arrived at with such a flawed process and under the shadow of possible political manipulation, is unacceptable. I recommend to you that the contract be cancelled.

Buttressed by the 14 pages — that is right, only 14 pages — of text in the Nixon report, on December 3 the Prime Minister announced that the government was cancelling the contract, and on April 13, 1994, the House of Commons gave first reading to Bill C-22, respecting certain agreements concerning the redevelopment and operations of Terminals 1 and 2 at Lester B. Pearson International Airport.

On April 26, the Minister of Transport initiated debate on second reading. Instead of detailing the reasons why the government was cancelling the agreements, which is their undoubted right, the minister initiated a smear campaign which today, 11 months later, is still the government's major argument in favour of proposed legislation which is unprecedented in the rights that it would strip from Canadians who sought to do business with their government.

I do not intend to debate Bill C-22 today, but I must refer to it, since it has led to extraordinary and disturbing assertions surrounding negotiations which lead to the agreements themselves, those who are party to those agreements, and members of this chamber who are questioning the constitutionality of Bill C-22.

• (1540)

During second reading debate in the House of Commons, the Minister of Transport maintained that:

> ...a reliance on lobbyists, the backroom dealings, the manipulation of bona fide private sector interests and the lack of respect for the impartiality of public servants are absolutely unacceptable.

From the first day, obviously, the government was determined to support this unprecedented legislation, but not with argumentation limited to the content of Bill C-22 nor confined to the documentation of the misdeeds which allegedly inspired it. Instead, we got the demand that whatever the flaws inherent in the new government bill, they must be accepted in order to punish those who had rigged the political process to their own ends with the connivance of the governments of the day. Suggestions of illegal activities were made repeatedly, to the

point where many Canadians have concluded that such statements merit examination by a third party. The government which once threatened an investigation now refuses it, and the motion under discussion is the result.

Honourable senators, let me be perfectly clear. A parliamentary inquiry such as we propose is far from the kind which is appropriate to the circumstances and events which have been described in the last year. An independent inquiry is what is required. However, the government refuses. The inquiry which I am asking honourable senators to support will be able, however, to get to the bottom of very disturbing allegations which have been made about events surrounding the Pearson agreements. The inquiry will also provide those who have been maligned by the government's allegations a proper forum in which to answer their accusers.

I do not intend to give a full listing here of the charges and accusations which government spokesmen have been tossing about in the last year. I will give only a few in order to remind everyone of the severity of the attacks and to give some idea of the damage they have inflicted. I am only one of the many who can speak from special knowledge of the hurt involved.

On July 5, 1994, before the Standing Senate Committee on Legal and Constitutional Affairs, the Minister of Transport when reacting to certain comments of mine with which he did not agree, which is certainly his right, said:

> However, at some point I would like to know who you are speaking for, if it is not the people who are involved in the process.

Honourable senators, has there ever been a time before this when a minister of the Crown came before a Senate committee and imputed venal motives to one of its members?

After hearing representations from learned witnesses that the bill offended the rule of law, the Senate returned Bill C-22 to the House with remedial amendments. A few days later, the Prime Minister reacted as follows:

> I don't think the Tory Senators will last very long in the public opinion trying to help their friends...We'll let them boil in their own juices...

The Minister of Justice, not to be outdone, said, "me too!" in these words:

> I observe that the majority on the Committee that made those recommendations are Progressive Conservative Senators. I think that has a lot to do with it.

As to the worth of the amendments, not a word was said. Honourable senators, listen to some of the litany of invective which Canadians have had to endure over the last few months:

> ...one last snatch at the public purse by the Tories and their friends...
>
> ...the biggest ripoff in Canadian history...
>
> ...one last trip to the trough...
>
> ...the Pearson deal stinks out every Tory in Toronto...
>
> ...a cesspool of intrigue and manipulation...
>
> ...one of the most dastardly deals ever put together in the history of the country...
>
> ...we are not going down the road of trying to line our friends' pockets with money, which the Conservative majority in the Senate is trying to protect now.

This selection, colleagues, is incomplete, but typical of the government's attempt to force through repugnant legislation on the canard that those involved in the Pearson agreements are themselves repugnant.

I started these remarks by saying that this motion is presented with little enthusiasm. Only circumstances which result exclusively from a government cannonade of statements raising serious concerns about all aspects surrounding the Pearson agreements have led us to this stage in the Senate. The attempts of the Leader of the Government to justify certain accusations as expressions of frustration, rather than a slight on anyone in particular, are a commendable example of sustaining cabinet solidarity but not at all convincing. Off the cuff and impulsive as she may claim the statements quoted were, the evidence leads one to conclude that they were really part of a planned, massive character assassination campaign which persists and aggravates.

How else, then, to explain a letter dated March 1, 1995 from the Minister of Transport in answer to one dated October 7, 1994 from the member from Kootenay West-Revelstoke? I will read certain extracts, and I assure honourable senators that they are not taken out of context.

The minister writes:

> ...I must stress that Bill C-22 was in fact designed to protect taxpayers from an unprecedented raid on their pocket books...allowances have been made to recompense those involved for 'out-of-pocket' expenses, something which the government would not have been required to do even under common law, if wrongdoing had taken place. This government is merely emphasizing that the deal was a bad one, both for the traveller and the taxpayer...this deal did not provide value to anyone.

This was not said by an individual pressured under questioning in a scrum. It was written in answer to a letter dated nearly five months earlier. Of all the minister's verbal assaults, it has to be the most grotesque. He appears to be telling us that the Government of Canada is willing to pay millions of dollars in claims for out-of-pocket expenses, even if wrongdoing had taken place. Surely, all honourable senators will agree that any suspicion of wrongdoing should automatically preclude a payment of even one cent as long as grave uncertainty persists. What better way to get to the bottom of this issue than through a full-fledged inquiry, which would also allow an examination of the accusation repeated many times over — that those in this chamber who question the constitutionality of Bill C-22 are really motivated by seeing that the "recompense" is as generous as possible?

The motion before us, honourable senators, is to strike a special committee to examine the policies behind the government's preparing a request for proposals for Pearson airport, the bidding process, the negotiations, the agreements

themselves and their cancellation. The government has repeatedly indicated that all but the final step just mentioned were tainted to give an advantage to particular government supporters. The inquiry will have to study in depth these serious charges and report accordingly.

While I hope that mudslinging can be avoided along the way, I am confident that much, if not all, of the mud which has already been slung will be removed from those who have been smeared repeatedly, including 52 members of this chamber. If the Senate inquiry only accomplishes this, it will have more than justified its existence.

Let me be absolutely clear and unequivocal about one thing. Whatever the ultimate fate of Bill C-22, it in no way has any bearing on the motion before us, as far as this side is concerned. Our challenge to the bill is on constitutional and legal grounds, while our pressing for a Senate inquiry into the Pearson Airport Agreements arises from the government's repeated refusals to institute an independent inquiry into the agreements and the alleged improprieties and illegalities surrounding them. There is, in our minds, absolutely no connection between Bill C-22 and the motion, and anyone suggesting one is barking up the wrong tree, so much so that even if the government withdrew the bill, this motion would remain, as withdrawal of the bill would not withdraw the unsubstantiated malicious statements which have wounded so many innocent fellow citizens.

History is replete with examples of offensive policies being supported with clever insinuations and innuendoes, for no outrage is necessary if wordsmiths conjure outrage, and no truth is required if repetition recycles lies. I doubt if many Canadians are pleased to see this sort of sordid behaviour followed by this government.

I will not elaborate any further, as a number of caucus colleagues want to speak on particular aspects of this motion. Thus, I will end with the following reflections.

No purpose has received more attention from my colleagues on this side of the chamber than restoring Senate credibility in the country we all wish to serve — not just restoration of a political image, but faith in the honest reflection of good intention and better effort. I have sensed the same high purpose in the approach of the Leader of the Government in the work we must share with each other in the Senate.

Shakespeare, in the third act of *Othello*, explains that for man and woman a good name is the "jewel of their souls". Senator Fairbairn, I am sure, would agree with him that "he that filches from me my good name robs me of that which not enriches him and makes me poor indeed."

I am straying from the business of the Senate inquiry, perhaps. Let me leap from the bard to the Red Book which became "God's armour" for members opposite during the last election. On page 91 we find the lesson as follows:

> The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable...If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.

A couple of pages on in the Red Book it states:

> We will follow the basic principle that government decisions must be made on the merits of a case rather than according to the political influence of those making the case. We will take an approach of openness in decision making.

There is nothing in here about letting senators boil in their own juices.

I urge the government to reconsider its position. I urge it to set up an independent inquiry with the same terms of reference as those set forth in this motion. That is the fairest route to take for all involved. Canadians have a right to know all the facts surrounding the Pearson Airport Agreements. They certainly have a right to know why the government has so far refused to allow the facts to come out, satisfying itself with malicious insinuations and accusations.

Honourable senators, if the government refuses to act, many innocent Canadians are doomed to be tainted by their inability to seek justice following the reckless and inflammatory accusations smeared across the country for more than a year. In such a case, then, let us make the Senate available to them so that lustre can be returned to "the jewel of their souls".

**Some Hon. Senators:** Hear, hear!

On motion of Senator Hébert, debate adjourned.

The Senate adjourned until Wednesday, March 22, 1995, at 1:30 p.m.

# THE SENATE

**Wednesday, March 22, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

[*Later*]

## DISTINGUISHED VISITORS IN GALLERY

**The Hon. the Speaker:** Honourable senators, I should like to draw your attention to the presence of distinguished guests in the Speaker's Gallery, being Mr. Roberto Robaina Gonzalez, Minister of Foreign Affairs from the Republic of Cuba, and accompanying him is His Excellency, Bienvenido García Negrín, Ambassador of the Republic of Cuba to Canada.

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# SENATORS' STATEMENTS

## THE LATE JOHN PETERS HUMPHREY

TRIBUTE

**Hon. Stanley Haidasz:** Honourable senators, I wish to make a brief recollection this afternoon of John Peters Humphrey, who passed away last week at the age of 89 in Hampstead, Montreal.

Mr. Humphrey, who is called the godfather of human rights in Canada, drafted the 1946-47 preliminary Declaration of Human Rights, which was adopted with amendments by the United Nations in 1948. To such a daunting task he had been nominated by Eleanor Roosevelt. Since then his name has never been absent in penetrating discussions on human rights. The Universal Declaration itself has been said, by Pope John Paul II, to form "the basic inspiration and cornerstone of the United Nations," as its predicate is, "everyone" is to bar not one human life. So wide was the renown of John Humphrey that even at the age of 86 he received from Soka University in Japan the Award of Highest Honour.

Recipient of numerous degrees and honours, Mr. Humphrey distinguished himself especially in the professorship of law at McGill University in Montreal and as a director of the Division of Human Rights at the United Nations Secretariat during its first twenty years in existence. He published significant works on human rights all through his public life, including *Human Rights and the United Nations: A Great Adventure*, translated into French as recently as 1989, and another book, *No Distant Millenium: The International Law of Human Rights*, published the same year.

Mr. Humphrey participated in many commissions, such as the 1970 UN Subcommission on Prevention of Discrimination and Protection of Minorities — of which he was chairman — as well as the recent 1988-90 International Commission of Inquiry into the famine in the Ukraine of 1932-33. He was also principal secretary to the UN mission to war-torn Vietnam in 1963, president of the Canadian Commission for the International Year for Human Rights from 1968 to 1970, National President of the UN Associations in Canada, and he was even a member of the Royal Commission on the Status of Women.

Deeply respected for his penetrating mind and regarded widely as an authority in his field, Mr. Humphrey received very many awards and honours, including the John Reid Medal for International Law in 1973, officer of the Order of Canada in 1974, the Order of Quebec in 1985, and the Order of St. John of Jerusalem, also known as the Knights of Malta, in 1986. Incidentally, in Malta, Mr. Humphrey acted as vice-president in 1987 of the UNESCO conference on the Teaching of Human Rights. Tutoring others as to the intricacies of efforts to reclaim or defend human rights became the lasting work of this indomitable soul.

I would like to state also that Mr. Humphrey's passing last week was marked by recognition and the profound sense of loss of a prime mentor and, indeed, a pioneer by many associations in which he was active or an honorary member, including the Canadian Human Rights Foundation from which he retired as recently as 1991 with the deserved honour of President Emeritus. Having been president of the Canadian branch of the World Conference on Religion and Peace, among his many other affiliations, the person of Mr. Humphrey will be sorely missed, while the far-reaching influence of his insight and his guiding principles in human rights abide as a shining example to Canada and the world.

## INTERNATIONAL TERRORISM

REPORT OF CANADIAN SECURITY INTELLIGENCE SERVICE

**Hon. William M. Kelly:** Honourable senators may have noticed that, in the other place, Mr. Derek Lee has introduced a motion that there be a parliamentary oversight review committee formed to deal with the activities of the Communications Security Establishment, or CSE, which, it has been suggested, has not come under parliamentary oversight review for the fifty-odd years during which it has been in business. It is, therefore, appropriate to make a comment on the latest report from CSIS on the question of international terrorism. I will be as brief as possible.

• (1340)

According to its report published in January 1995, CSIS conducted a situational assessment on international and domestic terrorism. First the good news: Left-wing terrorism is distinctly on the wane. The Germans have effectively broken the Red Army faction; the Italians have done the same with the Red Brigade. Belgium has been very successful against Action Direct. Only Greece and Turkey, in particular, still have significant problems with left-wing terrorism. State-sponsored terrorism in the USSR has been virtually eradicated, due to the breakup of the Soviet Union. So much for the good news.

The bad news is this: Although the collapse of the Soviet Union has meant an end to state-sponsored terrorism from the USSR, it has removed the restraints from age-old ethnic rivalries that have broken out. Ethnic rivalries in the former Soviet Union and the former Yugoslavia have introduced particularly odious actions against the civilian population under the rubric of "ethnic cleansing."

Terrorism sponsored by the fundamentalist Islamic states, particularly Iran, remains a major problem. Right-wing terrorism is on the rise in Africa, Germany, the former Soviet Union and Eastern Europe. Luckily, right-wing terrorism tends to be state-specific and is not yet spilling over geographic or political boundaries to become international.

Issue-specific terrorist groups, such as anti-abortionists and animal rights activists, are on the rise and becoming increasingly militant, violent and sophisticated. State-sponsored terrorism by Iran, Iraq, Syria, Sudan and Libya remain a serious problem, with the Iranian regime leading the pack in terms of ferocity and dedication. Iraq has muted its support in order to avoid spoiling its efforts to remove UN sanctions. Syria has also reduced its support for terrorist groups as part of that country's tentative move to rapprochement with the West. As long as the U.S. remains a superpower, and the only one, it will continue to attract state-sponsored terrorism.

The "nut fringe," comprised mainly of Islamic cells such as the one that detonated the bomb in the World Trade Centre in New York, are cause for considerable concern. Because they are very small and fragmented, and have no particular state or other organized ties, and because of their fervour, they are difficult for security intelligence agencies to watch, but are indeed very dangerous.

Anti-Israeli terrorism from breakaway, mainly Marxist, Palestinian groups is on the rise in response to the PLO-Israel Accord.

CSIS predicts that terrorist attacks will focus increasingly on high profile private sector targets such the World Trade Centre. CSIS forecasts that over 50 per cent of terrorist incidents in the future will relate to business or industrial premises, 10 per cent to diplomatic premises, and 5 per cent to other government and military premises.

CSIS foresees a continuing trend toward massive car and truck bombings in crowded cities and spectacular attacks on symbols: airports, diplomatic facilities, et cetera, designed to capture maximum media attention.

**The Hon. the Speaker:** I must inform you, Senator Kelly, that your time has expired.

Honourable senators, is it your wish that Senator Kelly be allowed to conclude his statement?

**Hon. Senators:** Agreed.

**Senator Kelly:** The growing sophistication of computers and terrorism data are becoming increasingly important in the fight against terrorism. To contain terrorism, democratic states must not lose their resolve to fight terrorism, but continue to cooperate and collaborate on anti-terrorist actions, follow a "no surrender/no deals" policy with respect to terrorists, penalize state sponsors of terrorism, and bring terrorists to justice.

Honourable senators, I found it peculiar that this assessment did not refer at all to narco-terrorism, which must still be a major threat, or to what I understand to be increasing cooperation between traditional terrorist organizations and organized crime.

I wanted to make these remarks at this time because we are just completing an examination of CSIS with regard to what may or may not have been done and what secrets may or may not have been kept. In the work of intelligence gathering, there will always be a point at which some secrets must be kept.

I support the position of Mr. Derek Lee that some oversight should exist with regard to CSE, but I urge that we be very careful not to erode the confidence of the Canadian people in our intelligence-gathering activities or the confidence of the intelligence gatherers themselves that they can carry out their job efficiently and safely on behalf of all Canadian citizens.

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# ROUTINE PROCEEDINGS

## PICTOU LANDING INDIAN BAND AGREEMENT BILL

REPORT OF COMMITTEE

**Hon. Raynell Andreychuk**, Chair of the Standing Senate Committee on Aboriginal Peoples, presented the following report:

Wednesday, March 22, 1995

The Standing Senate Committee on Aboriginal Peoples has the honour to present its

EIGHTH REPORT

Your Committee, to which was referred Bill C-60, An Act respecting an agreement between Her Majesty in right of Canada and the Pictou Landing Indian Band, has, in obedience to the Order of Reference of February 28, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

A. RAYNELL ANDREYCHUK
*Chair*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE BILL

REPORT OF COMMITTEE

**Hon. John B. Stewart,** Chairman of the Standing Senate Committee on Foreign Affairs, presented the following report:

Wednesday, March 22, 1995

The Standing Senate Committee on Foreign Affairs has the honour to present its

FIFTH REPORT

Your Committee, to which was referred Bill C-47, An Act to amend the Department of External Affairs Act and to make related amendments to other Acts, has, in obedience of the Order of Reference of Wednesday, February 22, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

JOHN B. STEWART
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Stewart, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## FOREIGN AFFAIRS

COMMITTEE EMPOWERED TO EXTEND DATE OF FINAL REPORT

**Hon. John B. Stewart:** With leave of the Senate and notwithstanding rule 58(1)(*a*), I move:

That notwithstanding the Order of Reference of the Senate adopted on April 27, 1994, the Standing Senate Committee on Foreign Affairs, which was authorized to monitor and report on the implementation and application in both countries of the Canada-United-States Free Trade Agreement, and on the implementation and application in Canada, the United-States and Mexico of the North American Free Trade Agreement, be empowered to present its final report no later than May 31, 1995.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

• (1350)

## VIOLENCE IN SOCIETY

NOTICE OF INQUIRY

**Hon. Anne C. Cools:** Honourable senators, pursuant to rules 7(1) and 57(2), I give notice that on Tuesday next, March 28, 1995, I will call the attention of the Senate to the issues of violence in society, in the family, and of children at risk.

[ Senator Stewart ]

## HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES—PRESENTATION OF PETITIONS

**Hon. Stanley Haidasz:** Honourable senators, I am pleased again to place in the hands of the Clerk petitions expressing a plea identical to the one I made in the chamber on March 17, 1994. These petitioners pray that the Senate in Parliament assembled protect health care workers with regard to freedom of conscience in the workplace.

Honourable senators, these petitions contain signatures of 1,375 Canadians from Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia. The total signatures in petitions thus far presented by me represent 8,034 petitioners.

# QUESTION PERIOD

## NATIONAL DEFENCE

CANADIAN AIRBORNE REGIMENT—REASONS FOR DISBANDMENT

**Hon. Duncan J. Jessiman:** Honourable senators, I rise to direct a question to the Leader of the Government in the Senate on issues surrounding the Canadian Airborne Regiment. Will the leader tell this chamber why the Minister of National Defence decided not to heed the advice of his military staff, including the Chief of Defence Staff, not to await the outcome of the minister's own inquiry, and, instead, to react in such a precipitous fashion?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the Minister of National Defence has been quite clear in his statements leading up to the decision taken on the airborne. He took his decision on the basis of the evidence put before him, his responsibility for the Armed Forces, and the credibility of the Armed Forces to the Canadians whom they serve.

I will relay Senator Jessiman's questions to the minister. He announced yesterday a full public inquiry, in the broadest sense of the word, into these issues that have disturbed Canadians and others. I refer to the events that took place in Somalia and the circumstances surrounding them. His desire for a public inquiry was to enable all of the issues to be aired, along with the documents, and all individuals involved to be heard.

In terms of the minister's decision on the airborne, he has spoken about the matter clearly and openly. While I can relay my honourable friend's questions to him, the decision he took was made with great care and full understanding of the seriousness of the decision, as well as the implications surrounding the situation with the airborne, which had been of concern to Canadians for some time.

**Senator Jessiman:** Honourable senators, will the Leader of the Government in the Senate tell this chamber what happened between the release of a video on Thursday, January 19, and the announcement of the disbandment of the regiment on Monday, January 23? Specifically, what happened between the Friday and the Monday for the Prime Minister, who was in Argentina at the time, and the Minister of National Defence to make such a decision and take such drastic action?

**Senator Fairbairn:** Honourable senators, I will relay the question to my colleague and obtain for the honourable senator whatever information I can.

## SOCIAL AFFAIRS

### REFORM OF CHILD SUPPORT SYSTEMS—GOVERNMENT POSITION

**Hon. Janis Johnson:** Honourable senators, I have a question for the Leader of the Government in the Senate regarding the Task Force on the Tax Treatment of Child Support, which was set up last May.

As honourable senators are aware, this task force was set up to tour the country for the purpose of soliciting the views of Canadians with respect to the tax treatment of child support payments. Will the honourable senator provide an update on the status of the findings of this task force? Will the task force be reporting its findings to the House in the near future and, if not, why?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I cannot give you a sense of timing on the results today. I will inquire and communicate with you at the earliest opportunity.

**Senator Johnson:** Honourable senators, the report of the federal-provincial-territorial committee on family law and its recommendations on child support were released in January, and the task force completed its cross-Canada tour many months ago. When can we expect action on the part of the government with respect to reforming the child support system? What exactly is the government's timetable for this reform? Will legislation be tabled in the House this session?

**Senator Fairbairn:** Honourable senators, this issue is very much in the minds of the Minister of Finance, the Minister of Justice, and the Minister of Human Resources Development. I will attempt to get for the honourable senator as quickly as I can as much detailed information as I can on the process of the issue.

## NATIONAL DEFENCE

### INQUIRY INTO THE ACTIVITIES OF CANADIAN AIRBORNE REGIMENT—GOVERNMENT POSITION

**Hon. Raynell Andreychuk:** Honourable senators, my question is for the Leader of the Government in the Senate. Further to the statement I made about the Airborne Regiment, will the minister and the government allow the members of the inquiry to fully investigate the advisability of disbanding the Airborne Regiment? Will they be able to look at the management of the decision-making process that led to the disbandment?

Supplementary to that question, will the inguiry also be looking into, not only the wrongdoing or alleged wrongdoing, but also the actions of those who served honourably? Will there be recommendations on how to acknowledge and pay tribute to those who served honourably within the regiment?

Honourable senators, in asking these questions, my concern is that we not wrong those in the Airborne Regiment who acted appropriately and fairly and with honour while representing the people of Canada.

**Hon. Joyce Fairbairn (Leader of the Government):** I thank Senator Andreychuk for her question.

Honourable senators, the public inquiry on Somalia, as I have indicated, will be broad. A three-member panel has been struck to handle that inquiry.

I will put the honourable senator's question directly to the Minister of National Defence. I honestly cannot answer the question, nor do I wish to speculate on the reply at this point.

One thing I have no hesitation in doing, however, is joining my friend and the Minister of National Defence, who has already done so, in paying tribute to the fine service of the many members of the Airborne Regiment over the years.

Honourable senators, the disbandment of the Airborne Regiment is undoubtedly to many people a very sad and tragic incident. As my honourable friend knows, over the last number of months, serious occurences and breaches of proper conduct have come to light and as a result a decision was made. That decision does not, in my view, take away from the honour of the many people who have served in that regiment courageously and with distinction over the years.

**Senator Andreychuk:** Honourable senators, by way of a supplementary question, will the government indicate today, instead of awaiting the outcome of the inquiry, what action it intends to take to reassure Canadians, particularly members of the regiment who have acted appropriately, that the contribution of the Airborne Regiment will be recognized in some tangible way, either by reinstating the regiment or some other means?

**Senator Fairbairn:** Honourable senators, the Minister of National Defence has made it clear that the decision regarding the Airborne Regiment was a final one.

As for the remainder of the honourable senator's question, I will be pleased to forward it to the minister.

[*Translation*]

## NATIONAL DEFENCE

### ROYAL MILITARY COLLEGE AT SAINT-JEAN—DECREASE IN RECRUITMENT—GOVERNMENT POSITION

**Hon. Roch Bolduc:** Honourable senators, my question is for the Leader of the Government in the Senate. I read recently that the recruitment drive for the Royal Military College at Saint-Jean has resulted in a drop of approximately 30 per cent in the number of applications compared with previous years. What does the Minister of National Defence intend to do to remedy that intolerable situation?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the statistic cited by the honourable senator is one of which we are aware. The Minister of National Defence made it clear in the House of Commons a few days ago that one of the reasons for the reduction in the number of applications was

the confusion and uncertainty which surrounded the future of the college, until the decision was made last summer as to the structure in which it was to be maintained. It has also interfered with the timing for the promotional information that was to be sent out about the availability of educational advancement in the college for the persons to whom my honourable friend refers.

The Minister of National Defence has indicated that in the last few weeks the level of recruitment and the number of applications have begun to increase. He has indicated as well that the percentage of officers and recruits into the military in Canada will be maintained. That is something about which he is confident.

## JUSTICE

### IMPACT OF GUN CONTROL LEGISLATION ON RURAL SOCIETY—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, my question is directed to the Leader of the Government in the Senate. It relates to a speech given a few days ago in Montreal by the Honourable Allan Rock.

Senator Fairbairn comes from the Lethbridge area in rural Alberta. I would ask her about her reaction to the comment by the minister that, more than anything else, Bill C-68 is about the kind of country we want to live in and about the kind of society we as Canadians want. Does she not think that that was somewhat presumptuous on the part of the minister, who was speaking to people in the rural areas of Canada, the areas of Canada from which she, I, and several others in this place hail?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am sure Senator St. Germain will agree with me when I say that Canadians from the rural parts of our country are just as strongly interested in the safety and protection of our population, whether it be in rural or in urban areas. I think that is an underlying desire on the part of all Canadians.

My honourable friend may know that recently the Alberta government conducted a poll on the view of Albertans as it concerns the issue of gun control. To the surprise of the government of Alberta, as well as some people in the rural areas of Alberta, it was found that an overwhelming majority support gun control.

As honourable senators know, the bill is before the House, after which it will be referred to a parliamentary committee. There are aspects of that bill which can be discussed and debated. For all I know, changes may be made to it. However, the fundamental tenets of the bill are ones which the Minister of Justice has stated openly. He has gone into every area of this country to discuss them, including rural areas in Alberta, Saskatchewan and other places.

Something on which Canadians who take this issue seriously seem to be agreed is the sentiment expressed in the words of the minister to which my honourable friend has referred. As general as they are, they are an expression of a fundamental belief in the kind of safe society that Canadians cherish and treasure. Unlike, perhaps, any other country in the world, it is something which we in this country have protected.



**Senator St. Germain:** Honourable senators, I hope that the present government will leave governing by polls to the Reform Party. I trust that the governing of this nation will not be done strictly by polls.

What I find strange is that the Leader of the Government in the Senate should say that everyone seems to be in favour of this measure. Yet, the minister is seeking support for his legislation and is asking people to write to their representatives in the federal and provincial governments in order to gain that support.

What is disturbing is that in his statement the minister seems to indicate that it is offensive to mount an opposition to the bill. Mr. Rock has said that there is no room for an American-style gun lobby in this country. I do not think the groups that are out there have anything to do with anything American. I think it is a question of the government being uncertain of its position and trying to stifle debate on the issue.

I see nothing sinister in law-abiding citizens of this country, who for years have been involved in sports and hunting, now coming to the point where they can see possible confiscation and other Draconian measures being brought against them.

**Senator Fairbairn:** Honourable senators, I could not agree more with my honourable friend. There is absolutely nothing sinister about this matter. In fact, one of the healthiest signposts of our democracy is that people in this country, no matter from where they come, can express their views, concerns, enthusiasms and fears openly and without fear of any kind of reprisal. That is a fundamental tenet of the Canadian society which we treasure.

My honourable friend refers to the minister being in hiding. Good grief, the man has been all across the country. He has been before the public everywhere. There is no question that he has sought the views of every segment of Canadian society. He has tried, and continues to try, to fashion a law that will not lead, as some would suggest, to confiscation. I am not referring to my honourable friend in that regard. However, I recognize that there is a fear which is accentuated by some of the lobby groups. However, the minister has tried to clarify that aspect of the legislation time and time again, and he will continue to do so.

In terms of there being no room for an American-style gun lobby in Canada, I hope everyone in this house agrees with such a statement. There are some in this country who, perhaps, wish that there were constitutional rights pertaining to the question of bearing arms, as there are in the United States. Our Constitution does not provide that right. I know in the areas from which I, my honourable friend and other members of this house come from, there is sometimes confusion about that aspect.

• (1410)

The motivation of the Minister of Justice is not unlike the motivation of a former Minister of Justice with the previous government. We worked very closely together to push through gun control legislation. That was accomplished with some pride and enthusiasm in this house. I am referring to the Right Honourable Kim Campbell.

I am a little puzzled by the reference made by my honourable friend with respect to governing by polls. I raised the polls only as a matter of interest. It had nothing to do with the Reform Party. We are talking about the very valid, lively, well-entrenched and very popular — by the polls — Conservative government in

the province of Alberta. On its own initiative, and rightly so, it sought to employ that method along with many others, and that was done to test the reaction of the people of the province of Alberta. The population responded in a way that was interesting from a polling point of view. It was possibly not conclusive, but perhaps a little surprising.

## FISHERIES

### NORTH ATLANTIC FISHERY—PRESENCE OF SPANISH WARSHIPS ACCOMPANYING FISHING VESSELS—GOVERNMENT POSITION

**Hon. Stanley Haidasz:** Honourable senators, in rising to ask my question of the Government Leader in the Senate, I should like to first of all express my appreciation to the Prime Minister and the Minister of Fisheries for their swift action with a view to saving the turbot fishing off the Grand Banks.

In view of the news we heard early this morning that Spanish warships, in company with Spanish fishing boats, are on their way to the Grand Banks, can the Leader of the Government give us an up-to-the-minute report on that matter?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am not sure I can give an up-to-the-minute report. I would far rather have my colleague the dynamic Minister of Fisheries, who does have the latest reports on these matters, give you a reply.

Honourable senators, I am not so sure about the warships. I believe there is a frigate circling out there somewhere. There are Spanish vessels moving in and out of what we regard as a protected conservation zone.

At the moment, the Canadian government, from the Prime Minister on down, is doing everything within its power to reach a negotiated settlement to the dispute over zones, as well as the fundamental protection and conservation of what is left of the fishing stock in the North Atlantic waters. The Prime Minister has been in contact with the President of the European Union. He has been in contact with the Prime Minister of Spain on these issues. The Minister of Fisheries will be involved in discussions on this matter at the United Nations a week from now.

The whole purpose at this point in time is to reach a negotiated settlement that will protect the viability of the fishery for everyone, not just Canada, and to extend as necessary a moratorium among all fishing nations if — as we and others maintain — the fishing stocks are depleted to the point of almost extinction. This is why Canada has taken the extraordinary action it has. It is not just selfishly to protect ourselves. It is to protect for the world the North Atlantic fishery. That is what we are doing now. One has to wonder whether the vessels now moving into those waters are doing so to try and undermine the negotiating process which is taking place. I would hope that there can be a positive conclusion to the whole situation.

### PRESENCE OF CANADIAN NAVAL VESSELS ON GRAND BANKS—GOVERNMENT POSITION

**Hon. Stanley Haidasz:** Honourable senators, I have a supplementary question. I thank the government leader for this report on the events taking place on the Grand Banks. Can she tell us whether vessels or units of the Canadian Navy are patrolling the Grand Banks at the present time?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I should like to update the situation with the Minister of Fisheries, but I believe there is a Canadian vessel in the area keeping an eye on things.

## IMMIGRATION

### IMMIGRATION AND REFUGEE BOARD—QUALIFICATIONS OF NEW EXECUTIVE DIRECTOR—GOVERNMENT POSITION

**Hon. Consiglio Di Nino:** Honourable senators, my question is for the Leader of the Government in the Senate. On March 2, the Minister of Immigration, Mr. Marchi, unveiled changes to the structure of the Immigration and Refugee Board. At the same time, he announced the appointment of a deputy chair and an executive director.

Of note in this round of appointments is the selection of a Mr. Jean-Guy Fleury as executive director. In its press release, the government failed to mention the fact that Mr. Fleury was a former deputy director of CSIS from 1988 to 1991. In effect, it appears as if the government has taken great pains to omit this important information. Instead of releasing his curriculum vitae, they released a brief overview of Mr. Fleury's credentials.

During the previous government's mandate, when the Ministry of Public Security was announced by then Prime Minister Kim Campbell, the then Liberal opposition strongly criticized the association between immigration and Canada's security agencies. Given the Liberals' election campaign platform and the Red Book statement surrounding the immigration and CSIS relationship, how can the government justify the appointment of a former deputy director of CSIS to such a senior post within the Immigration and Refugee Board? Why is the government hiding Mr. Fleury's professional qualifications?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I believe that the gentleman in question has very strong qualifications for the job. I do not accept my friend's suggestion that the government is trying to hide the background qualifications of this gentleman in any way. However, I shall take my friend's questions to the minister and obtain a more precise answer for him.

## TRANSPORT

### RAILWAYS WORK STOPPAGE—STATUS OF NEGOTIATIONS AT CANADIAN PACIFIC RAIL AND VIA RAIL

**Hon. Lowell Murray:** What can the Leader of the Government tell us about the status of negotiations between Canadian Pacific Rail and its employees, and VIA Rail and its employees? I ask the question because Bill C-77, which is now before the House of Commons — and which I presume will be arriving in the Senate in due course — imposes mediation arbitration on Canadian National and its employees, but defers the coming into force of any such legislation affecting CP Rail and VIA Rail.

The Minister of Labour seems to be of the view that in the case of both CP Rail and its employees and VIA Rail and its employees, they are close to agreement.

Can the Leader of the Government bring us up to date on the status of negotiations?

**Hon. Joyce Fairbairn (Leader of the Government):** Senator Murray, in response to your question, my understanding is that discussions have been continuing in the two cases. I do not have any up-to-the-minute information that I can convey to the house at this moment. However, there is constant communication between this chamber and the House of Commons in terms of the legislation that is presently before that house, and we are not yet aware of how it may be proceeding today. As I leave the chamber this afternoon, I will try to find out more about the talks that have been under way. If I have any information to convey to my honourable friend this afternoon, I will do so.

• (1420)

**Senator Murray:** I appreciate that, honourable senators. I appreciate also that the government prefers, as do we all, to have these matters settled by negotiation. However, I wonder whether the Minister of Labour has indicated to the parties, that is Canadian Pacific, VIA Rail and their employees, how long the government would wait before proclaiming those provisions, assuming the bill is passed. On the one hand, she seems to feel that in those two cases the parties are close to agreement; on the other hand, there seems to be less urgency to resuming operations.

**Senator Fairbairn:** Honourable senators, I cannot answer that question, other than to say there is a great desire on the part of this government to have all systems operating just as fast as possible. I agree with my honourable friend entirely that the more desired route is through negotiated settlements. Collective bargaining as it has existed in this country is very important. Probably every member in this house has received phone calls. I see Senator Gustafson sitting over there. There is no question that Parliament feels the tremendous urgency to get our transport system operating because, as the days and the hours click by, we are not only losing money, but our reputation in the world is suffering from our inability to reliably deliver goods to our customers.

**The Hon. the Speaker:** Honourable senators, the time for Question Period has now expired, but Senator Comeau has been on his feet several times. Is it agreeable that we hear Senator Comeau and then conclude Question Period?

**Hon. Senators:** Agreed.

## FISHERIES

### NORTH ATLANTIC FISHERY—SIGNIFICANCE OF PRESENCE OF SPANISH WARSHIPS IN RELATION TO NEGOTIATIONS

**Hon. Gérald J. Comeau:** Honourable senators, I will keep it short.

My question is to the Leader of the Government in the Senate, and it relates to the turbot war which she mentioned a few minutes ago.

[ Senator Murray ]

We seem to have embarked on a process quite different from the usual process of negotiation. For some reason, negotiations failed. We then embarked on a process of arresting and towing in Spanish trawlers caught fishing turbot on the nose and the tail. However, we now seem to be backing away from that process. Is it due to the fact that the Spanish trawlers now have warships to protect them? If that is the case, by blinking before the Spanish do, will we not be causing all kinds of harm to ourselves?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, all options continue to be open to the Canadian government. Some of my colleagues in this house, including Senator Beaudoin, are far more in tune with how international law of the sea conventions are created and moved ahead. The action required was taken out of necessity.

I recommend to my honourable friend a speech made by my seatmate here back on May 6, 1992, which was almost prophetic in terms of what is happening today, except in that case it was little Iceland that went vigorously into the fray, and this time it is Canada.

I think my honourable friend will agree that our action has captured vividly the attention, not only of people around the world, but, most particularly, that of our friends in the European community and others in the area who have been turning a blind eye to what has been going on in this important fishery.

Our response was very dramatic and further such action remains an option. In keeping with Canada's past international reputation, we are presently trying to seek agreement through negotiation. The ships that may be there are not an issue. The issue is to build upon what appears to be a will and an interest in negotiating a conclusion satisfactory to Canada and to all our fishing partners in that area.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have three delayed answers: one in response to a question raised in the Senate on March 1, 1995, by the Honourable Senator David Tkachuk regarding elimination of the Crow rate subsidy; a response to a question raised in the Senate on February 21, 1995, by the Honourable Senator H. A. Olson regarding the improvement in the international grain market; and a response to a statement and question raised in the Senate on March 2, 1995, by the Honourable Senator John Lynch-Staunton, the Honourable Senator Pierre Nolin, and the Honourable Senator Finlay MacDonald.

## THE BUDGET 1995

### ELIMINATION OF CROW RATE SUBSIDY— EFFECT ON GRAIN SHIPPING PORTS—GOVERNMENT POSITION

*(Response to question raised by Hon. David Tkachuk on March 1, 1995)*

The impact of Western Grain Transportation Act (WGTA) change has been studied for many years and the effects of change on the Seaway and the ports have been the topic of several studies. Under the WGTA, grains, crops and products have to move through the West Coast ports,

Thunder Bay or Churchill, in order to be eligible for the subsidy. With the repeal of the WGTA, there will be no stipulation on where or how grain, crops and products are exported. Shippers will be free to choose the least cost method to ship grains, crops and products to export markets.

Canadian ports, such as those on the West Coast, will face competition from the United States (U.S.) West Coast ports such as Portland and Seattle. Rate comparison with the U.S. West Coast ports have found that the U.S. ports have lower handling charges. However, there are many factors, such as the volumes through the U.S. port at any particular time, which impact on these charges. In addition, using U.S. ports would require special arrangements for cleaning and inspection of the grain prior to shipping. Canadian ports, therefore, remain a practical choice for Canadian shippers.

The Department of Transport has not undertaken any studies on the effect of eliminating the Western Grain Transportation Act subsidy on Canadian ports except for the analysis provided as input to the report entitled "Seaway Round Table - Impact of Changes to the WGTA on the Seaway" dated November 4, 1992.

## AGRICULTURE

### IMPROVEMENT IN INTERNATIONAL GRAIN MARKET— REQUEST FOR ANALYSIS OF SITUATION

*(Response to question raised by Hon. H.A. Olson on February 21, 1995)*

Canadian wheat exports are expected to increase to 21 million tonnes in 1994-95, despite lower production and lower supplies of Canadian wheat this year. As a result, Canadian carryover stocks of wheat are expected to be quite tight by the end of the year. In its latest PRO the CWB is forecasting increases of $18 to $24 per tonne in the pool return in 1994-95 for most grades of non-durum wheat compared to 1993-94. Because of the strong import demand for durum wheat and reduced subsidies under the U.S. Export Enhancement Program, there have been historically high export prices for durum wheat in 1994-95. As a result the CWB's 1994-95 pool return for durum wheat is forecast to be $2 per tonne higher than the 1993-94 pool return, which was itself an exceptional return.

World wheat production in 1995-96 is forecast to increase by 33 million tonnes to 560 million tonnes as the area seeded to wheat is expected to increase in response to higher prices in 1994-95. As a result world wheat prices will likely be lower in 1995-96. Wheat acreage and production is expected to increase in Canada in response to the good pool returns for wheat in 1994-95 and the shift in acres out of oilseeds to wheat. However, total supplies of Canadian wheat will be lower in 1995-96, despite the higher production, because of the low carryout from 1994-95. Consequently, Canadian wheat exports are forecast to decline in 1995-96. The CWB is forecasting modest declines in pool returns for non-durum wheat for 1995-96 of $5 to $11 per tonne. However, durum wheat prices are forecast to decline sharply. In its February PRO, the CWB is forecasting a decline of $57 per tonne for No. 1 Canada Western Amber Durum wheat in response to higher world durum wheat production and much lower world durum wheat trade in 1995-96.

## TRANSPORT

### PEARSON INTERNATIONAL AIRPORT—PUBLIC STATEMENTS BY MINISTER REGARDING MOTIVES OF CERTAIN SENATORS— DELAY IN OR EXISTENCE OF ANY IMPEDIMENT TO REDEVELOPMENT OF TERMINALS 1 AND 2—GOVERNMENT POSITION

*(Response to question raised by Hon. John Lynch-Staunton, Hon. Pierre Nolin, Hon. Finlay MacDonald on March 2, 1995)*

The impasse over Bill C-22 does provide a continuing impediment to the redevelopment of Pearson International Airport.

On January 16, 1995, Honourable Mr. Justice Borins rendered a judgment ordering the deletion of the registration of T1T2 Limited Partnership's rights, title and interest in the lands and premises subject to the Pearson agreement between the Government and T1T2.

Of course, the Pearson agreement entails not only agreements between the partners, but also between the partners and the partnership.

One such agreement — calling for the subleasing of undefined space in Terminals 1 and 2 for up to 25 years — had already been entered into between T1T2 and Allders (Canada) Ltd. when the Pearson agreement was signed on October 7, 1993.

Allders registered this sublease against the title of the lands and premises conveyed to the partnership (Terminals 1 and 2) and pledged this sublease as collateral to its banker, which, in turn, registered its own interest in the property conveyed to T1T2. Both of these interests are subject to a non-disturbance agreement given by the previous government to Allders as part of the T1T2 deal.

Complicating matters further, Allders has been and continues to occupy space in Terminals 1 and 2, based on a lease between the Crown and Allders that existed prior to the deal with T1T2.

Because the orders of the Court are binding only on the two parties to the case brought before Justice Borins — namely T1T2 and Her Majesty — neither the lease between the Partnership and Allders, nor the non-disturbance agreement between the Crown and Allders, were affected. Thus, Allders and its banker retain a registered interest in Pearson Terminals 1 and 2.

Under its sublease, Allders was given the right to operate the duty-free concessions in Terminals 1 and 2. These

concessions are a major source of revenue to the airport operator, and as such their presence will be a focus of the financial negotiations between the Crown and the Greater Toronto Regional Airport Authority. At the very least, the presence of these agreements will slow down the negotiation process until Bill C-22 is passed. As well, Allders may well bring an action against both T1T2 and the Crown on this matter, which would further complicate negotiations.

The passage of Bill C-22, which specifically cancels all estates, rights, titles and interests of Allders, as well as the non-disturbance agreement between the Crown and Allders, would eliminate all impediments outlined above and put this company on the same footing as T1T2.

Despite the complications due to the impasse over Bill C-22, the Ministry of Transport has not been idle at Pearson Airport. The Government is committed to the provision of a new North-South runway and its construction will commence this spring. Funds have also been expended in Terminals 1 and 2 to ensure that they remain safe and reliable until they are transferred to the Greater Toronto Regional Airport Authority, which could then undertake the major redevelopment required.

Presently, the Greater Toronto Regional Airport Authority can only *advise* the government vis-à-vis Terminals 1 and 2. The transfer of control to this non-profit airport authority, and the subsequent redevelopment, cannot proceed until Bill C-22 is finally passed into law.

# ORDERS OF THE DAY

## INCOME TAX ACT

BILL TO AMEND—THIRD READING

**Hon. Michael Kirby** moved third reading of Bill C-59, to amend the Income Tax Act and the Income Tax Application Rules.

Motion agreed to and bill read third time and passed.

## UNEMPLOYMENT INSURANCE ACT

BILL TO AMEND—THIRD READING

**Hon. M. Lorne Bonnell** moved third reading of Bill C-216, to amend the Unemployment Insurance Act (jury service).

Motion agreed to and bill read third time and passed.



[*Translation*]

## THE BUDGET 1995

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the order:

Resuming the debate on the inquiry of the Honourable Senator Spivak, calling the attention of the Senate to the budget presented by the Minister of Finance on Monday, February 27, 1995.—(*Honourable Senator Bacon*).

**Hon. Fernand Roberge:** Honourable senators, in the budget tabled February 27, the government announced reductions in government spending, among other things. It kept increases on personal taxes to a minimum, raised corporate income tax, applied a surtax on their profits and imposed a temporary capital tax on large deposit-taking institutions. Most Canadians approved these measures. I am one of them.

I am even prepared to say that the minister has succeeded in carrying on what the Mulroney government began some 10 years ago. Mr. Martin would perhaps be embarrassed at the compliment, but I believe he would have made an excellent Conservative Minister of Finance.

Like millions of other Canadians, no doubt, I must confess that I fell briefly under the spell of the minister's comforting words on budget night, especially when he unveiled his deficit reduction forecasts: a smaller deficit than forecast this year and a deficit of $24.3 billion for 1996-97, perhaps even less. I waited for the magic words: "and we will have eliminated the deficit and balanced the budget by..."

However, just when the minister could have completely seduced us with his history-making words, it was a sort of "budgetus interruptus" for us. Our pleasure will have to wait for a few more years. What happens after 1996-97? When will the deficit finally be eliminated? When will we have a balanced budget? When will we finally be able to start repaying our debt?

Of course, we must commend the minister for wanting to reduce the deficit to $24.3 billion in 1996-97. This is a very realistic short-term objective. It becomes meaningless, however, without the backing of a specific objective of reducing the objective to zero in the medium term, by a specific date.

With a deficit of $24 billion, our debt continues to grow. It is our ability to repay our debt, and not just to control our deficit, that gives cause for concern to investors and Canadians.

What will happen if there is another slowdown of the economy sometime in 1997, as most economists are predicting?

There is no doubt that Mr. Martin knows how to drive a car, but as a navigator, we have seen better! He says he can get us to Casselman. Good for him, but we want to go to Montreal!

Why is the minister so restrained, so modest?

In his budget statement of February 28, the minister explained to us that it was unwise to set objectives for more than two years, that it was in fact a bad habit of the preceding government.

Yet, the objective he unveiled of reducing the deficit to $25 billion can be found in the famous Liberal Red Book that appeared in September 1993, four years before the target date.

Is it possible that the date for a balanced budget will be announced in the next red book, just before the next election?

Like many other senators, I have some experience of the world of business. In particular, I am familiar with the importance of financial planning. I know that Mr. Martin, who also has very solid business experience and is quite aware of the importance of financial planning. I am sure, for instance, that when he had the opportunity to buy Canada Steamship Lines from Power Corporation, he would have asked himself some serious questions about the long-term prospects of the company. He would certainly not have been content with a two-year forecast.

While we applaud the government's efforts to reduce its spending, we would still have liked to see some sign of an employment program or strategy, that being the best guarantee of lasting economic renewal.

Far from being disturbed by the excessive number of unemployed Canadians, the minister finds acceptable an unemployment rate of 9.5 per cent this year and 9.4 per cent for the following year. However, we have not forgotten the number one election promise of our friends across the way: "Jobs, Jobs, Jobs"!

The only concrete initiative taken by this government was the famous infrastructure program, and even this program was cut by $200 million, although the Minister of Finance certainly did not brag about it in his budget.

The method chosen to reduce transfers to the provinces is not much more logical. For example, the provinces have been asked to discuss national standards with respect to health and post-secondary education, areas of provincial responsibility from which the federal government is trying to withdraw.

[*English*]

• (1430)

In all, the federal government announced over $8 billion in cuts to transfer payments. In the Red Book, which precedes and is still more revered than the budget in Liberal circles, we can read:

> Expenditures reductions will be achieved by cancelling unnecessary programs, streamlining processes, and eliminating duplication. This effort will take place in partnership with provincial governments.

Did this government consult the provinces on the cuts announced February 27? No.

The minister also claims proudly that "...much of the federal overlap with the provinces has been eliminated." On page 21 of the Red Book, we read:

> Creating jobs and economic growth in the 1990s requires a renewal of fiscal federalism, including unprecedented cooperation among federal and provincial governments. Canadian governments must coordinate their policies and eliminate duplication in areas ranging from transfer payments and income support to taxation and trade barriers.

Was this the case? No.

Before he became Prime Minister, Mr. Chrétien vowed not to touch transfer payments to the provinces. In this budget, cuts to transfer payments represent about one-third of total cuts. In light of this spectacular reversal, the least the government could have done would have been to spell out clearly their vision of this new relationship between the federal government and the provinces.

However, the most obvious bottom line of this budget is that promises made in the Red Book and elsewhere, both before and after the election, were forgotten. What, if anything, does this government stand for? Perhaps the answer lies in Mr. Chrétien's autobiography — a recent best seller in China — wherein he wrote:

> That is one of the great things about being a Liberal; you can base your decisions on the circumstances, without having to worry about your established public image.

As the well-respected columnist Andrew Coyne noted recently in *The Globe and Mail*:

> In other words, a Liberal does whatever works, or whatever the situation demands, or whatever will get him elected, but never for any reason that could be identified as a political philosophy.

[*Translation*]

Driven by financial need, the federal government could have redefined federalism and the distribution of powers between the federal government and the provinces. Unfortunately, it followed the approach it uses in so many other areas: on a piecemeal basis, without an overall plan, without any obvious logic other than fiscal constraints.

Everyone agrees that the provinces must assume more responsibility in several areas. That is what they want, anyway. However, in a federation like ours, which is based on respect for jurisdiction, the relations between the various levels of government must not be upset without consultations or without an overall vision.

No real consultations took place before the budget, and no overall vision came out of the budget.

In closing, I must mention something that struck me, namely that the Minister of Finance failed to mention the GST.

The Liberals are in power. They have tabled two budgets but the GST is still here — and this place is much quieter — not to mention free trade, this idea which had our friends up in arms before the last election and which they are now embracing with an almost obscene passion.

Let us not disturb this honeymoon right away!

[*English*]

**Hon. Michael Kirby:** Honourable senators, I rise today to say a few words about the government's budget, which was tabled in the other place less than a month ago. In doing so, I will also pick up on some of the comments made by Senator Roberge in his speech.

Honourable senators, the 1995 federal budget takes direct action to reduce government spending and refocus government activities on key priorities and needs. The goal of this strategy is clear. The goal is what it had to be in the current economic climate, which is to restore fiscal health to the Government of Canada and, equally important, honourable senators, to reshape the role of government itself in order to build a stronger and more dynamic Canadian economy.

This is a budget, honourable senators, about getting government right so that government, in turn, can do a better job of helping to get the economy right.

This budget reflects the critical role of government to sustain economic growth and confidence and, as promised in the last election campaign, to create new jobs.

• (1440)

A number of media comments on the February 27 budget have accused the Liberal government of stealing a page from the Reform Party. Some commentators have even made the outlandish statement that this budget adopted the policies of the previous Conservative government. While this budget does, in fact, do many of the things which the Conservatives had said they would do, as opposed to the things they did, it also reflects a truly Liberal set of philosophical positions. This budget has developed a plan which adapts government in the 1990s to the problems of the 1990s, while simultaneously preserving its ability to help those in need.

It is important to understand that, contrary to the approaches of other parties, including that of the previous government which approached budget cutting with the very simplistic view that it was best to cut all departments and programs equally across the board, this budget has sought to make specific cuts to specific areas. At the same time, because of its approach to reducing the size of government and the size of the public service, this budget seeks to change the very structure of how government operates, refocusing government on meeting the needs of the people it was elected to serve.

Through this budget, and through the program review exercise which the government has been undertaking, every department of the government has been asked to spell out clearly what its goals and mandates are, and what they should be, in order to refocus the entire method of operation of the government.

In the broad public policy debates that are taking place in every industrialized country at this time in history, the fundamental issues are what the role of government should be in the 1990s, and what the role of government will be as we enter the next century. The answer to this question must, of necessity, include the answer to the question of what are the responsibilities of other parts of society. I do not mean only governments. What are the responsibilities of the private sector, volunteer organizations and individual citizens as we look at reshaping the way society governs itself?

This budget reflects the principle that the fundamental role of government in the late 1990s and into the next century should be to set the broad policy framework within which other parts of society operate. This government believes in that approach and, in so doing, is seeking to reduce the role of the federal government with respect to specific programs and specific service delivery issues.

The budget seeks to make people more efficient and more self-sufficient, and to reduce the role of government in terms of detailed program delivery issues. It reflects the need for government in the 1990s to be streamlined, simplified and modernized in the way it runs its business.

Equally important, honourable senators, the program review in this budget clearly reflects the need for government to substantially reduce the amount of money it spends on providing goods and services to itself, as opposed to providing services to individual Canadians.

This budget also seeks, as Senator Roberge commented in his speech, to substantially reduce the overlap and duplication between the federal and provincial levels of government.

However, this budget still recognizes, as the government recognizes in a number of other policy areas, that there is a vital role for government in the 1990s in terms of setting national standards with respect to the services that Canadians receive. The key in setting standards is to recognize that the detailed way in which programs and services are delivered to Canadians need not be the same in every community across Canada. In fact, substantially greater flexibility is needed at the local level.

This is not a new phenomena. For a very long time, national programs in this country have been designed much more for the ease of administrators than for the purpose of helping the individuals whom the program is designed to help. This has to end.

This budget and the program review recognize that government must become much more flexible than it has historically been with regard to the methods by which programs and services are delivered. Those delivery mechanisms must reflect local conditions much more than they have until now. One of the principles underlying the program review and the budget is the recognition that it is important that government programs and services value people and community needs ahead of rules, that flexibility is more important than rigid adherence to a particular administrative structure. It is this flexibility which, in the future, will be regarded as one of the hallmarks of this government's approach to government in the 1990s.

This budget is no mere reaction to the dire fiscal situation which the government inherited a year and a half ago. However tempting it is for me to digress at this point and make partisan comments about the fact that during the previous administration the total amount of debt in Canada more that doubled, and to cite all kinds of statistics about the cause of the fiscal situation which we inherited, I will of course resist that temptation and deal much more directly with the positive aspects of the budget. I want to deal with its adaptability, its flexibility and the way it treats specific individuals. I also want to deal with the way it reflects today's fiscal reality, which is clearly a very important part of the budget.

This is a tough budget. It meets the fiscal targets which the government set during the last election campaign and also substantially constrains government expenditures. It proposes $29 billion in cuts over the next three years. That figure, it is worth observing, is more than any other budget has proposed to cut since post-war demobilization.

Indeed, in two years, program spending will be $10.4 billion less than it is today. Structural changes now under way will ensure that very significant reductions that begin in 1997-98 will extend into the indefinite future because of the way in which the organization of government is being changed.

Further, this budget delivers on the commitment of the government, made during the election campaign, to cut the deficit to 3 per cent of GDP in two years. The numbers given in the budget — and I hate to use this adjective, honourable senators — are very conservative estimates. They show that the deficit will fall to $32.7 billion in 1995-96 and to $24.3 billion the following year.

All of these numbers are based on conservative assumptions. They are based on protections built into the budget against further increases in interest rates. Consequently, honourable senators, there can be no doubt that these targets will be met because of the prudent way in which they have been forecast, and because of the contingency reserves that have been established. If necessary, that will be used to help the budget meet its targets.

It is important to note that this budget meets the fundamental targets which the economic community wanted and expected from this process; that is, it provided Canada with fiscal certainty into the indefinite future. Prudent economic assumptions and substantial contingency reserves of $2.5 billion next year and $3 billion the year after that ensure that Canada is on the right track.

• (1450)

However, cautious forecasts, prudent planning and a comprehensive review of government functions under the program review are only one part of this budget. A second part, and in many respects the most critical part, has to do with the issue of the way government operates and the role of government in the 1990s. Under this budget some 45,000 public service positions will be eliminated over the next three years. To some people that sounds like a lot of jobs, while to others it sounds like very few. The reality is that if you look at the cuts in employment which have taken place in every other major institution, particularly private sector institutions in Canada and elsewhere in the industrialized world, cuts in the order of magnitude such as this, 12 per cent to 13 per cent of the work force, are not unreasonable.

Similarly, government will cut substantially a number of the subsidy programs it has provided over the years, including subsidies to business, which will be cut by nearly two-thirds over the next three years.

Another big change in this budget has to do with modernizing federal-provincial fiscal relations in order to more clearly demarcate what responsibilities will rest with the federal government and what responsibilities will rest with the provincial government. As honourable senators know, that demarcation began many years ago when Established Programs Financing first replaced the Federal-Provincial Fiscal Relations Act in 1977. That was a measure undertaken by a Liberal administration. The changes proposed in this budget reflect a move to the Canada Social Transfer or CST, which will be a lump sum transfer to the provinces. The CST represents a significant change in terms of long-term, federal-provincial fiscal relations and an advancement in terms of disentanglement between the two levels of government.

This budget also takes strong measures to improve the fairness of the tax system without increasing personal income taxes, as Senator Roberge pointed out. Two examples of what I mean by increased fairness as a result of this budget are the elimination of tax advantages for family trusts and the temporary lowering of the upper limit on RRSP contributions so that benefits do not flow to people who earn more than two-and-a-half times the average wage in Canada.

To be sure, there are a few small tax increases. They are tax increases, however, that are overwhelmingly outweighed by expenditure reductions; expenditure reductions that deliver seven times what tax increases deliver in this budget. That is, for every new dollar of tax revenue, there are $7 worth of expenditure reductions in this budget.

Moreover, to fulfil the objective of fairness, the tax increases in this budget have been targeted at those who can most afford to pay. There is a tax on large corporations and a tax on the capital of large deposit-taking institutions. This is a budget that attempts to bring a strong element of fairness to taxation. It is also a budget that attempts to put the government's house in order with respect to fiscal expenditure on programs. It starts Canada down the road of substantially revolutionizing the way in which programs and services are delivered to Canadians by the federal government. It also reduces the role of the federal government while simultaneously ensuring that the federal government will have the legislative power to establish national standards in those programs which are absolutely critical for Canadians.

It is therefore important to understand that in spite of the fact that there have been some reductions in terms of the number of civil servants who will be involved in various programs, the federal government has not in any way, shape or form abandoned its traditional role in terms of setting national standards. I say that because, frankly, national standards are fundamental to the nature of defining Canada. They are fundamental to how Canadians define themselves and what it is they hope and expect to get from their government. Therefore, in areas such as

medicare, protecting the benefits of the elderly, and ensuring an adequate distribution of revenue across the country through programs like equalization, this budget ensures that no erosion of national standards will occur.

It is for that reason that the equalization program was not changed. The budget makes it clear that equalization will continue to grow. Indeed, with respect to programs for the elderly, any reform of benefits will be done with full regard to continuing undiminished protection for all seniors who are less well off and the full indexation of seniors' pensions in order to protect them from inflation.

In short, honourable senators, what this budget does is fulfil the commitments made in the Red Book. I must say that I am delighted to find senators opposite quoting from the Red Book, and I think it is a sign that their literacy is substantially greater than people such as myself might have expected.

Page 11 of the Red Book. It states:

> Economic growth is not a matter for market forces alone. Jobs, health care, a safe and sustainable environment, equality for women and men, care for the very young and the aged, and the alleviation of poverty are societal issues that cannot be addressed simply by having each individual aggressively pursue immediate, narrow self-interest.

That is why there is a role for the federal government in setting national standards. That is why this budget and the program of this government will aggressively pursue that position.

This budget takes a balanced approach. It has also met some very tough issues. This Minister of Finance has shown himself willing to take on many of the tough decisions that previous ministers of finance of the last eight or nine years have really talked about but not actually implemented. This budget actually makes those tough decisions while, at the same time, keeping an eye toward imposing a minimum of hardship on individual Canadians and calling on all sectors of society to make some modest sacrifice in the interests of putting our fiscal house in order.

That is why the forecast in this budget will be met. That is why the commitments made in the Red Book and the 1993 election campaign will be met. That is why I believe that this budget is the first step in putting the country on a path to sustained economic growth and fiscal responsibility.

This budget is truly fair to all Canadians and to all regions of the country. It is a budget that will have a lasting impact as it begins to redefine the role of the federal government in Canada. I honestly believe that this budget is not only reform minded, but also consistent with all of the things that this party has stood for over the last 20 to 30 years, and, therefore, I am very proud to support it.

**Hon. Noël A. Kinsella:** Will the honourable senator entertain a few questions?

**Senator Kirby:** Absolutely.

**Senator Kinsella:** Many Canadians are puzzled by the articulation of one set of principles, the reflection of an ideology which we find when we examine the record of Liberal opposition over the past nine years, another set of principles identified in the Red Book, and yet another vision as we attempt to understand this budget. Is it the honourable senator's position that there is absolute congruency between all three expressions of policy?

**Senator Kirby:** It is difficult to understand exactly what are the three differences mentioned by the honourable senator, but I will try to explain. Certainly, I think even the honourable senator would find it difficult — perhaps not impossible, but difficult — to make a believable case that there is a significant difference between the commitments made in the Red Book during the election campaign and this budget. In fact, the budget implements what we said we would do during the election campaign. I think that takes care of the second and third case.

The honourable senator's first premise is an interesting one in that essentially it argues that because this party, when it was in power in the 1950s, 1960s and 1970s, started a series of programs that were right for the time, a modification in those programs in a different time, in a different economic climate, in a different social climate, is a violation of Liberal principles. I would counter that argument by stating that in fact the world of public policy is not a static one. It is a world in which the appropriate public policies for any given time need not be the same as the public policies of 20 or 30 years ago. Change does not make any comment on the correctness of the policies of 20 or 30 years ago at the time that they were made.

• (1500)

If your point is that some of the principles being espoused today in the Red Book — which are very consistent — are different from the policies of the immediate post-war era, I would not argue that. However, we do live in significantly different economic times. Any party that attempts to stick to something because it was the right idea 40 or 50 years ago is doing a disservice to itself as well as to the Canadian people. The reality is that times change.

**Senator Lynch-Staunton:** Principles do not count.

**Senator Kirby:** I cannot resist the comment. It is an interesting question as to what you elevate to the level of principle.

When your party was in power, it was always difficult for me to tell what the level of principle was. Upon reading and listening to budget speeches by Mr. Wilson and others, I was frequently reminded of a great political line from John Mitchell. Some of you may recall he was the Attorney General of the United States under Richard Nixon. When he was asked at one point to explain the inconsistency between what he was saying and what he was doing, he responded, "Watch what I do, not what I say."

I find it semi-amusing, therefore, that the issue of principle should be raised by members of a party for whom there was a huge discrepancy on many occasions between what they said and what they did. I have difficulty when you attempt to raise something to the level of principle because your own principles were incredibly flexible, over time.

**Hon. John Lynch-Staunton (Leader of the Opposition):** I find that a remarkable answer, particularly because in the budget we find many Conservative policies that were ridiculed only a few years before by the Speaker and his colleagues on the other side.

Second, speaking of principles, at least there are a few left in the Liberal Party to uphold them. I would direct that reply to the member from Notre-Dame-de-Grâce whom I recognize as being a man of principle who, for the last 30 years, has stood for what Liberalism in Canada is really about. He is currently in despair, along with many others, on seeing the complete change of heart undergone by the same party to which he has been committed for so long. Everything the Liberal Party stood for is beginning to crumble because the polls say we want a change.

**Hon. Lowell Murray:** May I ask Senator Kirby how this budget ensures the maintenance of national standards in those programs that have been covered by the Canada Assistance Plan and Established Programs Financing?

In asking the question, I cannot help but remark in passing that, two years ago, the honourable senator was seated in almost that same place, and at that time denounced with the greatest vigor the modest and very moderate restraints on the federal government spending power that were introduced as part of the Meech Lake accord.

**The Hon. the Speaker:** Honourable senators, I wish to point out that speeches have a 15-minute duration, including questions. That is the rule. However, do I assume that there is a desire on the part of honourable senators to allow the honourable senator to continue?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** We shall continue.

**Senator Kirby:** Honourable senators, is there some suggestion that the rules which were jammed down our throats some time ago now are causing some problems for members opposite? I am sorry to see that.

To respond to Senator Murray, my opposition to Meech Lake was not based entirely on the spending powers. It was based on a whole variety of other issues.

I said that national standards would be maintained. I said that they would be maintained not only through the budget but through other measures. Take medicare as an example. The Canada Health Act is obviously not a budget bill or a fiscal measure. I do not believe it is inconsistent to move in the direction where you have greater flexibility at the local level, while still maintaining national standards.

**Senator Murray:** I appreciate that. The honourable senator knows in considerable detail how these things work. The question is one of enforcement. The government has committed itself to enforcement to the extent that at least one minister, perhaps the Prime Minister himself, has said that they would find other ways of reducing cash transfers to provinces, perhaps even reducing equalization payments to provinces, that did not conform to the federal government's notion of our national standard. There are three provinces that do not even receive equalization payments.

I ask the honourable senator whether he does not believe that these threats are pretty hollow?

**Senator Kirby:** Without getting into a discussion of what particular enforcement mechanism is likely to ultimately come into effect, the fact is that I do believe there are a variety of ways in which enforcement can be carried out. I honestly believe it will be relatively straightforward to develop processes which ensure that national standards are implemented without necessarily doing it exclusively through the replacement of the Established Programs Financing, or EPF. There are other ways of doing it.

**Senator Kinsella:** We all accept the dynamic nature of society. Because of that, we recognize in public policymaking that one must look forward and be progressive.

**Senator Kirby:** Let the record show that my colleague said "progressive" and not "Progressive Conservative."

**Senator Kinsella:** Towards the end of your speech, you make reference to Reform. This is what has a lot of Canadians quite concerned. Many of us feel that there has been a shift, in policy and in principle, from the grand tradition of the Liberal Party of Canada towards a Reform type of agenda.

I was somewhat startled to hear you use that word. Perhaps you would like to explain it, particularly in light of the vision that you hold as to where we are headed, for example, when the budget speaks of a $7 billion cut from the social envelope? What is the vision of Canada for tomorrow? Will we be the caring and compassionate society that successive governments have been progressive and liberal towards, in the world of the 21st century as well?

**Senator Kirby:** First of all, given the gun control bill which is in the other place, I find it difficult to accuse this government of having a Reform-minded agenda. It is hard to argue that we have adopted the position of the Reform Party when you see the reactions of their members to gun control.

I assume you were only talking about a certain portion of the Reform agenda. The reality is that in order to be able to afford to finance social programs and other programs down the road in this country, you must have your fiscal house in order. That is the economic reality.

I accept Senator Kinsella's observation that this party has stood for, does stand for, and will continue to stand for being compassionate, caring and concerned about individual Canadians and regions of the country that need assistance or an element of redistribution to help them continue with an adequate quality of life. However, unless the government ultimately gets its fiscal house in order, unless we begin to clean up the mess that we inherited, the reality is that we will not be able to provide those services or a lot of other services that Canadians need.

If you look at what is happening federally and provincially with respect to parties, be they Liberal, Conservative or New Democratic, and if you look at what is happening in other Western industrialized countries, you will understand that the number one priority of all governments these days must be fiscal responsibility. If you do not meet that priority, you will be unable to do the other things that you correctly identified this party as having stood for, for a long time.

There is no doubt that this is a very tough budget, but it is also as fair as possible under the circumstances we all face. It is not a heartless Reform budget. It is consistent with Liberal values and principles.

[*Translation*]

**Hon. Roch Bolduc:** Honourable senators, I can understand the attitude of Mr. Martin, the Minister of Finance, who is partly dismantling what his father built. I can understand that because he belongs to a different generation, while his father lived at a time when certain things had to be done. What I do find puzzling is that a man like Senator Kirby, who was one of the principal arhitects of this structure, is saying today that it must be dismantled, and that he seems to say it so gladly. This is really beyond me.

[*English*]

**Senator Kirby:** Honourable senators, unfortunately the honourable senator's claim about my role is substantially exaggerated.

• (1510)

Let me comment again on what I said to Senator Kinsella. The practical economic reality facing whatever government happens to be in power in the provinces or federally is that unless you get your fiscal house in order, you will be unable to do all those other things we have stood for, some of which the honourable senator's party has stood for and some of which it has not. The reality is that times have changed.

As I said in response to the Leader of the Opposition in the Senate, one of the great dangers in politics is taking something and elevating it to the level of principle so that it becomes immutable over time and entirely independent of the circumstances.

Honourable senators, the budget does precisely what we said it would do in the election campaign. That approach is a novelty in this country at the federal level. The budget preserves, very adequately, the major programs which, to use Senator Kinsella's words, have reflected the compassionate, caring nature of this party for a very long time. It begins the process of reforming government in terms of its structure and role. These elements make it a very significant document.

**Senator Lynch-Staunton:** Honourable senators, the honourable senator claims that the budget reflects the promises made by his party during the campaign. There must be two Red Books out there. In the Red Book I have, there are flagrant contradictions between what was pledged during the campaign and what we see in the budget.

Without belabouring the point, honourable senators, let us talk about the GST. The GST was to have been eliminated and replaced with something else. It has neither been eliminated nor are there proposals in this budget for its elimination. Can Senator Kirby explain to us why that campaign promise still remains? It was accepted by all Canadians as being not only a promise, but to become fact, because the GST was identified by the Liberals as the most hated tax in Canada.

**Senator Kirby:** It is interesting that the Leader of the Opposition should describe the GST as the most hated tax in Canada given the honourable senator's role in implementing the tax. However, I will set that minor point aside.

Honourable senators, the Red Book was designed to cover a mandate and not to cover 6 months, 12 months or 18 months into a mandate.

**Senator Lynch-Staunton:** Sixty days to get you elected.

**Senator Kirby:** Perhaps that is a question the honourable senator ought to raise with me again the day before the writ is issued for the next election. I will be happy to address it at that time.

**Senator Lynch-Staunton:** For the record, I wish to point out that the budget projects three years ahead. The receipts from the GST are projected for 1996-97. The Minister of Finance is already projecting revenues using the GST as one of his main sources. That must mean the government should admit today that it has abandoned any hope of dropping the GST and that the GST will stay with us.

**Senator Kirby:** Honourable senators, any such discussion of the GST was always in the context of replacement and was not in the context of simply dropping it as a source of revenue. If at some point the GST is to be replaced by another source of revenue, presumably that line in the budget will have a different label on it.

**Senator Lynch-Staunton:** I guess there are two Red Books after all.

**Senator Kinsella:** If that is reality, honourable senators, there is more than one Red Book.

On motion of Senator Kinsella, debate adjourned.

## BUSINESS OF THE SENATE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I move that all remaining orders, inquiries and motions stand.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

**Senator Graham:** Honourable senators are aware of the situation in the rail industry and the ongoing negotiations taking place in the other place. After consultation with my colleagues opposite, I move that we adjourn during pleasure to the call of the bell at approximately 5:30 this day.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, could the Deputy Leader of the Government in the Senate give us an explanation as to his expectations? Is there some degree of optimism that we will be back here at 5:30?

**Senator Graham:** If I could have the kind of wisdom that other honourable senators in this place have, or if I could get inside the minds of those members in the other place who are holding up unanimous consent to proceed, I could give the honourable senator a definitive answer. Unfortunately, I cannot do that. I cannot predict what may unfold.

Honourable senators, my suggestion is that we adjourn to the call of the bell at approximately 5:30 in the hope that we will have more intelligence at that time. It may be that an agreement will have been reached by that time. I hope that by that time we will know whether or not an agreement has been reached that would require us to sit later this evening.

**Senator Berntson:** Honourable senators, I presume that in the event no agreement is reached today and there is no call by the bell, we would come back at two o'clock tomorrow?

**Senator Graham:** The rules dictate that if there is a call by the Chair, we must come back at approximately 5:30 and put the formal adjournment motion for two o'clock tomorrow afternoon.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

The Senate adjourned at pleasure.

• (1730)

At 5:30 p.m. the sitting of the Senate was resumed.

**The Hon. the Speaker:** The sitting of the Senate is resumed.

## BUSINESS OF THE SENATE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, regrettably, I have to report that no agreement has yet been reached in the House of Commons with respect to Bill C-77. However, we are still hopeful that such an agreement might be possible. I must admit that the chances are somewhat remote, but they still exist.

It is my understanding that by 6:30 or 7:00 we should have a definite answer as to whether there is any chance of receiving the legislation this evening. I certainly regret the uncertainty, but I am sure that all honourable senators would agree with the importance of the legislation, and if there is any chance of receiving it this evening, that we should be here to receive it.

I therefore move that we adjourn at pleasure, to resume at the call of the bell at approximately seven o'clock.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, naturally we will accede to the suggestion that we revisit this matter at seven o'clock. I wish to say, though, that it is a heck of a way to run a railroad.

I do not think anyone enjoys dealing with this kind of legislation, nor can the country afford the continued impact of this stoppage. Depending upon who you listen to, the impact is already anywhere from $3 billion to $5 billion. That is a great deal of money. We will accommodate the speedy passage of this particular piece of legislation in any way we can.

It is understood, of course, that when the bill comes to this house, we will have some witnesses to bring before the committee. Again, we wish to accommodate them as best we can, so we would appreciate the earliest possible notice. I wished to have that comment on the record.

We do not know how quickly this bill will come from the other side, or whether or not a deal will come together. However, because of the very serious impact this work stoppage has had on the Canadian economy, we are quite prepared to sit on Thursday, Thursday night, Friday, Friday night or even on Saturday.

**Some Hon. Senators:** Hear, hear!

**Senator Graham:** I thank the Deputy Leader of the Opposition for his encouraging remarks. They are certainly in the national interest. We will do our very best to be more definitive at approximately seven o'clock.

I also acknowledge that the Deputy Leader gave us on this side advance notice that the opposition would want to call witnesses, and of course we will accommodate the witnesses as best we can.

Again, honourable senators, I move that we adjourn at pleasure, to resume at the call of the bell at approximately seven o'clock.

The Senate adjourned at pleasure.

• (1920)

At 7:20 p.m., the sitting of the Senate was resumed.

**The Hon. the Speaker:** The sitting of the Senate is resumed.

## BUSINESS OF THE SENATE

**Hon. B. Alasdair Graham (Deputy Leader of the Senate):** Honourable senators, unfortunately there has been no agreement in the House of Commons with respect to Bill C-77. I thank all honourable senators for their courtesy and patience.

I regret the uncertainty surrounding our activities in this place. You know that the other place is beyond our control. We will revisit the situation tomorrow. We have had discussions with the leadership opposite and, consequently, I move that the Senate do now adjourn.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, before doing so, and without committing the government side, I understand that tomorrow is Opposition Day in the House. It may be that the bill cannot be brought back to the House before Friday, which would mean that the bill would not come to us until Monday. Am I correct in that, unless there is unanimous consent to change the rules?

**Senator Graham:** The Leader of the Opposition is absolutely correct in his statement.

As you know, I am not yet an expert on procedure. I should tell honourable senators that when I was asked how I was getting along in my new post as deputy leader, I responded by saying that I was reminded of the story of the world champion ski

jumper. He was asked how he became so proficient. He said, "I made a fool of myself thousands and thousands of times, but I kept practising."

Honourable senators, I continue to practise. I stand to be corrected, but I believe that in his analysis of the procedure, the Leader of the Opposition is correct. However, it is to be hoped that we will revisit the situation in the public interest and see what we can do tomorrow.

**Senator Lynch-Staunton:** I raise that issue, honourable senators, because none of us here and in the rest of the country understand why a certain faction in the House of Commons is delaying a most essential piece of legislation.

That being said, it appears that the Canadian public must suffer from this work stoppage through tomorrow, Friday, Saturday and Sunday. The bill would come to us Monday night. Obviously, everyone will be anxious to see us dispose of it.

Since there is agreement by all of us to hear witnesses, perhaps the government would consider finding a way, if the rules allow or if dispensation is needed, to hear witnesses before the bill comes to us. Once the legislation arrives, we would have the minister appear as a witness. We could then dispose of the bill as quickly as possible. I leave that suggestion with the government.

I can assure the government that we sympathize with the problems created outside of its control. It can count on our full cooperation to pass this bill as expeditiously as possible.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Lynch-Staunton for his suggestion. I concur in what he says. It is truly unbelievable that we, in this chamber, in this Parliament and in this country, find ourselves in a situation where great damage is being done by the activities of one group in the House of Commons.

As honourable senators know, anything can be done by unanimous consent. However, the honourable leader is quite right in indicating that tomorrow is a supply day in the House. Under the rules of the House of Commons, members cannot vote until Monday.

Honourable senators, we will ascertain first thing in the morning if any sanity has struck overnight and if, through their procedures, the House of Commons can make some progress on this bill. There has been some talk of that. We will certainly be ready for whatever might occur.

We will certainly consider the suggestion of my honourable friend. Perhaps the Senate can aid in bringing this matter to conclusion in an expeditious manner.

**Hon. Thérèse Lavoie-Roux:** Can the Leader of the Government in the Senate tell us who is blocking the bill?

**Senator Fairbairn:** My understanding, honourable senators, is that the "blocking" is being done by the Bloc Québécois. Earlier on in the proceedings, there was a coalition between the Bloc and the NDP. I believe now that the opposition rests solely with the Bloc.

**Hon. J. Michael Forrestall:** Does the Leader of the Government in the Senate know if the government is prepared to issue notice of closure? Is the Government of Canada now prepared to serve notice that there will be 24 hours of debate or 40 hours of debate?

**Senator Fairbairn:** Senator Forrestall, the government has used time allocation as best it can. Closure is the final step. Closure stretches the process out even further. We have been working with the Reform Party and anyone we can in this matter. However, there has been an implacable lack of will to proceed.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Graham, seconded by the Honourable Senator Hébert, that the Senate do now adjourn.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Thursday, March 23, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### FORUM FOR YOUNG CANADIANS

**Hon. Consiglio Di Nino:** Honourable senators, only a couple of hours ago I once again had the honour and pleasure of enjoying the company of approximately 125 young men and women from across our country at the senators' lunch for the Forum for Young Canadians. The dozen or so of them with whom I was able to chat during the limited time available impressed me as intelligent, concerned and committed Canadians with open and inquiring minds, without the cynicism to which we are often witness.

Unfortunately, one of the most often asked questions was, "Why are there so few senators in attendance?" I believe there were five members of this chamber present at the event.

During four different weeks throughout the year, the Forum for Young Canadians brings together approximately 500 Canadian youth from across the country to learn firsthand how government works. The participants look forward to meeting members of Parliament, particularly those from their own regions. There are two further sessions scheduled for this year, during the weeks of April 24 and May 1.

I urge all senators to make a special effort to attend the senators' luncheons scheduled for April 27 and May 4. You will be rewarded and entertained by the bright, enthusiastic and grateful young constituents you will meet. You will be impressed by their interest and wisdom and you will be enriched by the experience, as I was.

### CANADA'S ARMED FORCES

**Hon. J. Michael Forrestall:** Honourable senators, I note with some alarm the plans in the budget to carve another $2.8 billion from the budget of the Department of National Defence. That, in addition to the $7 billion taken out last year, totals approximately $10 billion in overall reductions in defence expenditures. I leave it to others to decide whether that was required or necessary. I am not so much concerned about the question of military spending as I am about the more fundamental issues of vision and a basic attitude.

As honourable senators are well aware, the glorious Liberal Party in this country has been somewhat ambivalent in recent years with respect to the Canadian Armed Forces. I invite you to cast your mind back to 1964 and the white paper on national defence, which led to the ill-considered unification of the Armed Forces over the protests of those concerned and, indeed, a large portion of the general public. We were told that it was in the interests of economy and efficiency. There were, of course, the Trudeau years of wandering in the wilderness with respect to national defence, years of neglect and indecision.

Between 1970 and 1982, there were seven different ministers of national defence. Since I came to Parliament in 1965, I think there have been 12 or 14 ministers of that department. As the government played a game of musical chairs, our defence policy floundered, rudderless in a sea of Liberal rhetoric and indecision.

• (1410)

We come now to the present government and to the events of the past year involving the dissolving of the Canadian Airborne Regiment. The Prime Minister told us that the prestige of Canada was at stake. He called the first-ever disbanding of a regiment in Canada a difficult decision, but one that had to be taken. Why did it have to be taken? Was the security of Canada at risk? Was the integrity of our Armed Forces in question? Rather, was it a shameless question of polls and popularity?

Honourable senators, I come back to the notion of vision. What is the role of Canada's military? Are these people diplomats, aid workers or policemen, or are they soldiers, sailors and air personnel? That is the question the Liberal government should be asking itself these days.

I need not remind you that the men and women of our Armed Forces are a very important part of our society. They are not, as many on the other side of this house would apparently prefer, media-savvy, politically correct social scientists, committed to solving the problems of humanity for the greater glory of the Canadian government.

To the contrary, they are dedicated people who, to paraphrase one member of the Armed Forces, have chosen to enter into a contract of unlimited liability with their nation. They are people trained in the values of loyalty, integrity, dedication, self-discipline, and tradition. They are people who believe that living in society involves responsibilities, not just rights. They are people worthy of our respect for the job they do; the job they have chosen to do. I suggest we should spend a little more time recognizing that.

# ROUTINE PROCEEDINGS

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

NINETEENTH REPORT OF COMMITTEE PRESENTED

**Hon. Earl A. Hastings,** Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, March 23, 1995

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

NINETEENTH REPORT

Your Committee has examined and approved the budget presented to it by the Special Senate Committee on Euthanasia and Assisted Suicide, for the proposed expenditures of the said Committee for the period ending May 24, 1995, for the purpose of its examination of the legal, social and ethical issues relating to euthanasia and assisted suicide, as authorized by the Senate on February 23, 1994, November 29, 1994 and March 1, 1995. The said budget is as follows:

| | |
|---|---|
| Professional and Other Services | $23,500 |
| Transportation and Communications | 500 |
| All Other Expenditures | 2,300 |
| **TOTAL** | **$26,300** |

Respectfully submitted,

EARL. A. HASTINGS
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Hastings, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

TWENTIETH REPORT OF COMMITTEE PRESENTED

**Hon. Earl A. Hastings,** Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, March 23, 1995

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

TWENTIETH REPORT

Your Committee has examined and approved the supplementary budget presented to it by the Standing Senate Committee on National Finance for proposed expenditures of the said Committee, for the fiscal year ending March 31, 1995, to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it, as authorized by the Senate on February 22, 1994. The said supplementary budget is as follows:

| | |
|---|---|
| Professional and Other Services | $35,100 |
| **TOTAL** | **$35,100** |

Respectfully submitted,

EARL. A. HASTINGS
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Hastings, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

TWENTY-FIRST REPORT OF COMMITTEE PRESENTED

**Hon. Earl A. Hastings,** Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, March 23, 1995

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

TWENTY-FIRST REPORT

Your Committee has re-examined the Senate Estimates for the fiscal year 1995-96 (Estimates) which it presented to the Senate on December 8, 1994 in its Thirteenth Report. The Report was adopted by the Senate on December 15, 1994.

Your Committee now recommends that the Estimates be reduced as follows:

| **Estimates** | **Reduction** | |
|---|---|---|
| $ 42,014,993 | $ 1,765,000 | (4.2%) |

This proposed reduction in the Estimates, combined with the 5.8 per cent reduction made over the three previous years, amounts to a total reduction of ten per cent.

Your Committee has exercised fiscal restraint and intends to continue in this manner. During fiscal years 1992-93 and 1993-94, actual spending by the Senate was reduced by 10 per cent.

Your Committee recommends that it be authorized to identify those areas within the Estimates where spending reductions are feasible. Your Committee notes that these

proposed reductions are largely dependent on concurrence by Treasury Board in an early retirement program adapted to the requirements of the Senate.

Respectfully submitted,

EARL A. HASTINGS
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Hastings, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## TRANSPORT

MEASURE TO TERMINATE RAILWAY STRIKE—MOTION TO DEBATE REFERRED TO COMMITTEE OF THE WHOLE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

That the question of the desirability of enacting immediately a measure to terminate the present railway strike be referred to a Committee of the Whole, and

That the Committee meet later this day.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**Hon. Marcel Prud'homme:** Honourable senators, I thank the house leader for his extraordinary cooperation with me, even though I am independent. Speaking for myself, I know he is getting everything he wants. That is the way to run a good railroad, and that is the way to run a good Senate!

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I appreciate very much that the Deputy Leader of the Government has acted on the suggestion of my very own leader. For the record, can he tell us who the witnesses will be and in what order they might appear?

**Senator Graham:** As I understand it, the witnesses will be Mr. Paul Tellier, President and Chief Executive Officer of CN, and he will be accompanied by Mr. Terry Leneker; from CP, we will have Mr. Rob P. Ritchie, President and Chief Executive Officer; and from VIA Rail, Terry W. Ivany, President and Chief Executive Officer.

In addition, from the Brotherhood of Maintenance of Way Employees, we will have Mr. Gary Housch, Vice-President; from the International Brotherhood of Locomotive Engineers, Mr. George Hucker, Vice-President and National Legislative Representative; and from the United Transportation Union, Mr. Tim Secord, Legislative Director.

That is the list of witnesses who have been invited and have indicated a desire and a willingness to appear before the Committee of the Whole. It is my understanding that they will be available. As to the order, I understand that Mr. Tellier has indicated that he has other commitments later in the afternoon, and he has asked to appear first.

The clerk of the committee will be bringing in the witnesses in due course.

Motion agreed to.

• (1420)

## CANADA-UNITED STATES TAX CONVENTION ACT

BILL TO AMEND—FIRST READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** presented Bill S-9, to amend the Canada-United States Tax Convention Act, 1984.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on Orders of the Day for second reading on Tuesday next, March 28, 1995.

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# QUESTION PERIOD

## THE BUDGET 1995

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM—GOVERNMENT POSITION

**Hon. Gerald J. Comeau:** Honourable senators, my question to the honourable minister in the Senate concerns the Defence Industry Productivity Program, currently known as DIPP. For more than 35 years, DIPP has been a proven success, helping Canadian industry receive the seed money it needs for high-tech, high-risk invasions. It has helped ensure that meeting our defence needs also provides for civilian benefits. It has given our aerospace industry a fighting chance against other countries where defence procurement is seen as a tool for economic development.

In the Red Book, the Liberals made a clear commitment to expanding this program. As a result of the measures announced in this year's budget, the funding for DIPP will be slashed from $167 million in 1993-94 to $22 million in 1997-98. By winding down this program, the Liberals have broken another Red Book promise.

Could the Leader of the Government advise the Senate whether the government has any strategy for either research and development or defence conversion?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the most recent budget brought forward by my colleague, the Minister of Finance has some serious messages which reflect the government's efforts to bring down the deficit to 3 per cent of GDP in three years.

Those messages were preceded by some difficult decisions resulting in reductions across the board to many programs across Canada which in the past have served the country well.

My colleague the Minister of Industry John Manley continues to give great emphasis to his responsibility of science and technology. On the question of defence procurement, I will have to get back to the honourable senator with an answer.

## NATIONAL DEFENCE

### RESTRUCTURING OF CANADIAN ARMED FORCES RESERVE—REQUEST FOR TERMS OF REFERENCE OF COMMISSION

**Hon. J. Michael Forrestall:** Honourable senators may recall that on January 27 of this year, the Minister of National Defence announced the formation of a special commission to review the restructuring of the Canadian military reserve. Given that the commission will begin its work on April 1, will the Leader of the Government in this chamber indicate when Canadians can expect an announcement regarding the terms of reference, and indeed, the composition of the committee?

**Hon. Joyce Fairbairn (Leader of the Government):** I will be pleased to seek that information for honourable senators. I know this is an important commission for the reserves in this country. I believe that this commission will undertake its work in an open and full manner and will be served by excellent members. I will provide that information to my friend as soon as I can.

**Senator Forrestall:** Honourable senators, I have a brief supplementary question. Given that there is only one week before the commission is due to commence, would the Leader of the Government be able to receive an answer by early next week? Could she at least make an effort to do so? Canadians are curious about who will sit on the commission and its terms of reference.

**Senator Fairbairn:** Honourable senators, I would be pleased to do that. It is also a matter of some interest to me as an honourary lieutenant colonel of a regiment.

## TRANSPORT

### RAILWAYS WORK STOPPAGE—LONGER TERM ARRANGEMENTS FOR DISPUTE SETTLEMENTS—GOVERNMENT POSITION

**Hon. Leonard J. Gustafson:** Honourable senators, my question is directed to the Honourable Leader of the Government in the Senate. The question is in regard to the rail strike. The cost to Canadian people and the various sectors of Canadian industry — such as agriculture, where it is affecting the movement of grains and fertilizers, and the automobile industry — is in the billions of dollars.

As I understand Bill C-77, it seems to me that it is a short-term solution to an immediate problem, which I support in that sense. However, has the government given any consideration or any thought to a long-term solution?

This seems to be happening year after year. It happened during our administration, usually right in peak season, and it costs this country billions of dollars. There must be a better way to negotiate and give consideration to labour at the same time. Has the government given any consideration to a long-term solution to deal with a problem which continues to cripple this country?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as a result of the longshoremen's strike last year in the Port of Vancouver, studies were initiated by my colleague the former Minister of Labour Lloyd Axworthy, in an effort to come up with longer term ways and means provisions in the process of updating the Canada Labour Code. Nothing has been done to Part I of the Labour Code now for 20 years.

A considerable investigation was conducted in recent months, and I am certain that the new Minister of Labour will be wanting to push ahead on that matter and possibly on new initiatives in the months to come. Also, Mrs. Robillard has moved to set up a special commission of inquiry on the most recent labour dispute, which we addressed in this house a week ago.

Certainly, one of the reasons for Mrs. Robillard putting together a special commission of inquiry is to look at these issues in the long term to see how we can deal with them in a way that will not offend the fundamental values of the collective bargaining system in this country. It is an effort to make some of the provisions more relevant.

The Prime Minister himself expressed, yesterday in the House of Commons, the same frustration Senator Gustafson has expressed today. I believe that is also a concern of the new Minister of Labour.

## NATIONAL DEFENCE

### PEACEKEEPING OPERATIONS IN FORMER YUGOSLAVIA—DEMISE OF CANADIAN AIRBORNE REGIMENT

**Hon. John Sylvain:** Honourable senators, could the Leader of the Government in the Senate tell us what effect the dismantling of the Airborne Regiment will have on present and future tours of operations of our Armed Forces in the former Yugoslavia?

• (1430)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will need to ask that specific question of my colleague the Minister of National Defence.

As Senator Sylvain knows, the review of the positioning of our forces in the former Yugoslavia in the future is ongoing and will take place following another parliamentary debate in the weeks ahead.

Honourable senators, there are always concerns about the uncertainty and danger in that part of the world. Nonetheless, the government is pleased with the decision of the Croatian leader to permit a UN presence to remain in that country.

I cannot answer the specific question with respect to the Airborne Regiment vis-à-vis those missions, but our military personnel in this country are preparing for duty in that area on the rotation system. They will perform with the skill, competence and compassion that has made them one of the most valued forces in the former Yugoslavia.

LENGTH OF TOURS OF PEACEKEEPING FORCES—
REQUEST FOR INFORMATION

**Hon. John Sylvain:** By way of supplementary, when you garner the information from the Minister of Defence, will you also obtain from him information pertaining to the state of morale in the Armed Forces, given the length of extended tours and the shortened interval between tours? Specifically, what is the normal time period for an individual to be away from home on a tour of duty, and how long is it before he returns for another tour of duty?

**Hon. Joyce Fairbairn (Leader of the Government):** He or she, as the case may be.

**Senator Sylvain:** I am sorry; I am from the old school.

**Senator Fairbairn:** I would be pleased to seek that information.

I am sure the honourable senator has met and been in touch with young people who have served in the former Yugoslavia. I have met such individuals. Peacekeeping is an incredibly stressful assignment. However, when I have asked these individuals, "Will you go back?" the answer has always been an eager "Yes."

The point of your question is well taken, senator.

## SOCIAL AFFAIRS

IMPLEMENTATION OF NATIONAL CHILD CARE STRATEGY—
GOVERNMENT POSITION

**Hon. Janis Johnson:** Honourable senators, my question is for the Leader of the Government in the Senate and pertains to child care.

Canada participated in the UN-sponsored World Summit on Social Development just last month. Our chairman at this summit, the Minister of Human Resources Development, commented with approval on the Swedish model for child care. I quote:

> In Canada, there is growing poverty among single parents. In Sweden, no, and the reason is an effective system of child care.

Honourable senators, the Red Book indicates quite clearly that in each year following a year of 3 per cent or more of growth, a Liberal government will create 50,000 new child care spaces. Last year, the country met the growth requirement, and yet there was no mention of a national child care strategy in the budget. Can the leader indicate to me whether or not this promise will be met?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the Minister of Human Resources Development would put the situation of children and child poverty at the top of his list of concerns.

The honourable senator is quite right in quoting the intention in the Red Book. She also knows that the situation in this country in recent months has been such that there has been a re-evaluation of programs across the spectrum of government activity. Nevertheless, the minister remains firm in his commitment to proceed on the issue of child care as the fiscal situation permits.

Activities are proceeding on three fronts: There are ongoing negotiations and discussions with the provinces, because this area requires federal-provincial agreement; second, the government is proceeding with the component of child care that focuses on First Nations and Inuit people; third, the government is moving ahead in the areas of research and development.

Honourable senators, this answer is not one which will satisfy my honourable friend, but we are working under budget constraints. We will proceed in the child care area as broadly and as quickly as our economic situation permits.

**Senator Johnson:** By way of supplementary, can the Leader of the Government advise and enlighten us as to the progress that is being made with the provinces in this regard?

The Red Book is very clear that the federal government's portion for federal child care spaces would be $120 million. Can the minister bring to the attention of this chamber where that money is allocated in the 1995-96 Main Estimates? Is her government serious about implementing a national child care plan?

**Senator Berntson:** Perhaps it will come from the gun registry.

**Senator Fairbairn:** I will be pleased to get as precise an explanation as I can from my colleague.

Once again, we are constrained in the amount of money available across a wide spectrum of government programs. I can assure honourable senators that the Minister of Human Resources Development will be dogged in his pursuit of the quickest and widest possible response in the area, not simply of child care but of all issues concerning members of this house and the government in the area of child and family poverty.

**Senator Johnson:** If there is light at the end of the tunnel on this issue, we cannot see any; yet so much attention was paid and commitment given to this issue during the election campaign. To date, there has been no action. I look forward to the answer from the Leader of the Government in terms of the Main Estimates for last year.

**Senator Fairbairn:** I will attempt to enlighten my friend as best I can.

AMOUNT OF FUNDING AVAILABLE FOR CHILD CARE
STRATEGY—GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I have a supplementary question for the Leader of the Government in the Senate on that very point.

Less than a month ago, the Prime Minister was on a Radio-Québec program in Montreal called *Droit de parole*. He was asked a question along the same line as the question we have heard today from Senator Johnson. He responded that, yes, he was aware of the commitment and that $300 million was available. He indicated that Mr. Axworthy — I will not say "pledged" — would discuss this matter with the provinces. He was waiting for the provinces to come on side, and the program would then be in place.

Can the leader confirm that the figure in question is not $120 million, but that, less than a month ago, the Prime Minister indicated that the federal government has $300 million available in the first year after the growth in the economy reached 3 per cent, which would be this year?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will look at the statements of both our honourable colleagues and the Prime Minister, as well as the statements of the Minister of Human Resources Development, so that I can bring a solid answer to this chamber.

**Senator Lynch-Staunton:** I will send you the transcript of the radio program, if you wish.

• (1440)

## STATUS OF WOMEN

### REQUEST FOR BREAKDOWN OF PROGRAM SPENDING FOR CURRENT AND NEXT FISCAL YEARS

**Hon. Erminie J. Cohen:** Honourable senators, as a Progressive Conservative, I can appreciate the need to cut back on administrative costs within the government. However, as a former member of the Canadian Advisory Council on the Status of Women — which, by the way, is being abolished as of April 1 — I should like confirmation of the claim made by the Secretary of State for the Status of Women in Monday's edition of *The Toronto Star* that:

> The Advisory Council's important research and public education functions are not being cut, but simply rolled into the federal department of Status of Women Canada to avoid duplication and improve efficiency.

Will the Leader of the Government in the Senate use her resources as leader to provide me with a breakdown of program spending by the Canadian Advisory Council on the Status of Women, Status of Women Canada, and the Women's Program of Human Resources Development Canada for the current fiscal year? I should also like to have a projected breakdown of program spending for Status of Women Canada for the fiscal year 1995-96. I believe that this chamber would welcome the information as an assurance that the priority which the government claims for women's issues is being reflected in real program spending.

May I please have the minister's commitment to provide this information?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will do my very best.

## HUMAN RIGHTS

### ARMS TRADING WITH TRANSGRESSOR NATIONS— GOVERNMENT POLICY

**Hon. Noël A. Kinsella:** Honourable senators, the oft-quoted Red Book, the promises of which are, at best, in a state of flux, undertook that if the party which produced that book took power — which it did — the Government of Canada would, as a matter of human rights policy, never trade arms with a country whose human rights record was in question.

Is that Canadian government policy today, or is that a promise which, like so many others, is in a state of flux?

**Senator Lynch-Staunton:** We are too small to be involved in human rights. Don't you remember what Chrétien said?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend will know that there are very strong guidelines which the Canadian government observes in all of its trading relations, and those guidelines are consistent with the views which have been expressed by the Prime Minister and the Minister of Foreign Affairs on a number of occasions.

### DISCUSSIONS WITH TURKEY ON SALE OF AIRCRAFT—GOVERNMENT POSITION

**Hon. Noël A. Kinsella:** Honourable senators, Amnesty International issued a special report last July on Turkey, claiming that the human rights situation there is very serious.

Is it the view of the Government of Canada that the human rights situation in Turkey is in order, and that is why the government is negotiating with that country for the sale of our CF-5 aircraft?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, in response to the first part of my honourable friend's question, Canada has been and continues to be concerned about the human rights situation of the Kurds in Turkey. This concern has been expressed very directly by the Minister of Foreign Affairs to his Turkish counterpart.

With regard to the CF-5 aircraft, it would be premature to talk about negotiations, as the media have done. There have been some preliminary discussions about those aircraft between officials of the two countries. Any conclusions that would result from those discussions will certainly be dealt with within the guidelines which I suggested in my first response to my honourable friend.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, if the Turkish record on human rights is as appalling as we read, particularly as it relates to their treatment of the Kurds, surely the officials should be told immediately to break off negotiations.

**Senator Fairbairn:** Honourable senators, we are not in a state of negotiation with the Turkish government.

**Senator Lynch-Staunton:** You are just discussing.

**Senator Fairbairn:** Yes, we are discussing. It is not possible at this time to know what the results of those discussions will be.

**Senator Lynch-Staunton:** Then why have discussions?

**Senator Fairbairn:** Again, if those negotiations ever reach an official stage, they will be carried out under the umbrella of the regulations, guidelines and safeguards which have been Canadian policy in the past 18 months and previously.

**Senator Lynch-Staunton:** Are we to understand that the Government of Canada believes that, in return for the sale of a few aircraft for a few dollars, it can elicit guarantees from the Government of Turkey that it will stop the genocide it is now committing against the Kurds in its territory and in Iraq?

**Senator Fairbairn:** Honourable senators, that is not at all what I am suggesting to my honourable friend. I am suggesting, as I did to his colleague, that we as a government have concerns about the situation in Turkey. We have conveyed those concerns to our NATO ally and will continue to do so.

Discussions on the aircraft may or may not proceed. Those questions will need to be asked and answered in the future.

REPORTS ON RECORD OF VARIOUS COUNTRIES COMPILED BY FOREIGN AFFAIRS DEPARTMENT—GOVERNMENT POLICY

**Hon. Noël A. Kinsella:** Honourable senators, if I recall correctly, the Red Book made another promise, to the effect that reports on various countries would be prepared by officials in the Department of Foreign Affairs pertaining to the human rights records of those countries and that those reports would be tabled in Parliament. If that promise were kept, then, based on the technical data which such reports should contain, our ability to ask intelligent questions would be much improved.

Can the Leader of the Government in the Senate advise this chamber whether that remains government policy? If it is, then when might we expect to receive those country reports? Finally, is Turkey in that report this year?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will speak to my colleague the Minister of Foreign Affairs and try to get specific answers to your questions.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have two delayed answers. One is in response to a question raised on February 14, 1995, by the Honourable Senator Brenda J. Robertson regarding regional development, application of similar rules in all provinces. The second response is to a question raised in the Senate on November 17, 1994, by the Honourable Senator Ethel Cochrane regarding post-secondary education.

## REGIONAL DEVELOPMENT

APPLICATION OF SIMILAR RULES IN ALL PROVINCES—GOVERNMENT POSITION

*(Response to question raised by Hon. Brenda J. Robertson on February 14, 1995)*

Effective April 1, 1995, FedNor business incentives will focus on repayable loans as opposed to grants.

FedNor's new policy on repayability of contributions is consistent with the policies of the other Regional Development Agencies and the direction announced in the recent federal budget.

FedNor's financial assistance and business services will continue to focus on the needs of small and medium-sized enterprises. Non-funded client services and service standards will receive increased emphasis.

## POST-SECONDARY EDUCATION

GROWTH IN REVENUE FROM EPF TRANSFERS TAX POINTS—POSSIBILITY OF TRANSFER TO INSTITUTIONS

*(Response to question raised by Hon. Ethel Cochrane on November 17, 1994)*

The Established Programs Financing Arrangements were introduced in 1977 to replace previous federal-provincial cost-sharing arrangements for health and post-secondary education.

The funding of post-secondary institutions is strictly a provincial responsibility, and the post-secondary education portion of the EPF transfers has always been unconditional. Thus provinces can allocate the resources to PSE or other responsibilities according to their own priorities.

Nevertheless, the data show that all provinces spend more on post-secondary education than they receive in EPF-PSE from the federal government.

EPF-PSE transfers consist of tax and cash components. The tax transfer represents the current equalized value of a certain number of personal and corporate tax points ceded by the federal government some years ago.

In the current year, the value of the total EPF-PSE transfer is estimated to be $6.18 billion, of which $3.80 billion is in the form of tax transfers and $2.38 billion is in the form of cash.

Details of current EPF-PSE cash and tax transfers for the four Atlantic Provinces are attached, along with projections for 1995-96.

As announced in the Budget, transfers in support of health, PSE and social assistance (the Canada Assistance Plan) will, as of 1996-97, be consolidated into a single Canada Social Transfer (CST), thus enhancing the flexibility with which provinces can utilize the available resources.

Later this year, the Minister of Human Resources Development will work with provinces to develop, through mutual consent, principles and objectives that could underlie the CST.

In 1996-97, the value of the Canada Social Transfer will total $26.9 billion including an estimated $14.1 billion in tax transfers. For 1997-98, the CST will total $25.1 billion, of which an estimated $14.7 billion will be in the form of tax transfers. No figures have been provided beyond 1997-98.

For 1996-97, provincial allocations for the CST will be based on the 1995-96 distribution of EPF and CAP transfers. Amounts for the Atlantic Provinces are attached. CST allocations for future years will be determined at a later date, following consultations with provinces.

With respect to the question on tax points, no up-to-date projections for post-secondary education transfers are available after 1995-96, as beyond that point, PSE and Health transfers will be merged into the CST.

Speaking generally, the value of tax points depends on the economy; typically their value grows with Gross Domestic Product (GDP). Moreover, since the tax points are equalized, differences in rates of growth between provinces are minimized.

**Post-Secondary Education Transfers for the four Atlantic Provinces**

Projections for 1994-95 and 1995-96 entitlements are as follows:

| EPF–PSE for the Atlantic Provinces ($ millions) | | | | | | |
|---|---|---|---|---|---|---|
| | 1994-95 | | | 1995-96 | | |
| | Tax | Cash | Total | Tax | Cash | Total |
| Newfoundland | 64 | 59 | 123 | 68 | 55 | 123 |
| PEI | 15 | 13 | 28 | 16 | 13 | 29 |
| Nova Scotia | 104 | 94 | 198 | 110 | 88 | 199 |
| New Brunswick | 84 | 76 | 160 | 89 | 72 | 161 |
| May not add due to rounding | | | | | | |

Beyond 1995-96, the new Canada Social Transfer will be introduced to cover health, post-secondary education and social assistance/social services. The following amounts for the Atlantic Provinces in 1996-97 are derived from data provided in the Budget:

| Canada Social Transfer 1996-97 ($ millions) | |
|---|---|
| Newfoundland | 551 |
| PEI | 124 |
| Nova Scotia | 875 |
| New Brunswick | 692 |

# ORDERS OF THE DAY

## PICTOU LANDING INDIAN BAND AGREEMENT BILL

THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved third reading of Bill C-60, respecting an agreement between Her Majesty in right of Canada and the Pictou Landing Indian Band.

Motion agreed to and bill read third time and passed.

• (1450)

## DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE BILL

THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved the third reading of Bill C-47, to amend the Department of External Affairs Act and to make related amendments of other Acts.

[*Translation*]

**Hon. Roch Bolduc:** Honourable senators, I would like to comment briefly on this bill which is now at third reading. I was struck by the fact, and we talked about this in committee, that the mandate of the minister and his department is very vague. That is usually the case in legislation to establish a department, but at least there are a number of other acts that identify more specifically, for instance, within the Department of Finance, the responsibilities of the Inspector of Financial Institutions, and a department responsible for consumer affairs. There is a whole set of acts that provide guidelines and tell us what the minister should do and what his officials should do and that identify the parameters within which they must operate and set up their programs.

In the case of Foreign Affairs, for probably historical reasons, the legislation is particularly vague. Take, for instance, section 10(3), which reads, and I quote;

> The Minister may develop and carry out programs related to the Minister's powers, duties and functions for the promotion of Canada's interests abroad, including:
>
> (*a*) the fostering of the expansion of Canada's international trade and commerce; and
>
> (*b*) the provision of assistance for developing countries.

It all sounds marvellous. No one could be against this. In concrete terms, this provision gives the minister enormous discretion.

I suppose that historically it was because the Department of Foreign Affairs went back to a time when it was the Prime Minister's responsibility, and when the Prime Minister spoke, he spoke for all members of his cabinet. Since at the time there was no quorum in cabinet, the Prime Minister had more or less carte blanche.

Still, it is rather strange. I realize that one may have to exercise greater discretion regarding international matters, but to say that diplomacy, defence and international aid are government programs does not say much. My point is that the minister and his officials are given very broad discretion. We must not forget that ministers have their officials. The minister is the spokesperson, but the officials often do the work, and that is true the world over.

As foreign policy is becoming increasingly important, it has a major impact on what happens within the country. I remember an American representative from Boston saying: "All politics are okay."

It is somewhat the same now, in a way. "All politics are okay in Canada." There is, however, an impact on international policy, and international policy affects domestic policy in almost all areas. This is increasingly commonplace.

The government wants parliamentarians to participate to some extent, to exercise a certain right of regard on what is happening, on the way departments and programs are operating. A joint committee has proposed a number of guidelines, which we will discuss. We started discussing some, and the government issued a policy statement, which we will talk about as well.

Foreign affairs will require parliamentarians and senators to be ever more vigilant. We are already doing studies in our committee, and I think we are going about it pretty seriously. We have already done it, for example, for the free trade agreement, NAFTA and the GATT. We must realize these are treaties negotiated between governments, which are subsequently ratified by Parliament. Treaties are like royal prerogative: Parliament considers them only after agreements are reached. It simply ratifies the treaty, even though we must amend a series of laws to do so.

I wondered whether one solution to this — and I have not discussed this with my leader and so am not making a formal proposal — might not be for parliamentarians to participate by examining budget estimates in the Standing Senate Committee on Foreign Affairs. This could be a relatively permanent job of the committee.

Let me elaborate on this. I know all about the Standing Senate Committee on National Finance because I am a member of the committee. It traditionally does not study the content of programs as much as it looks at the government's administrative policy, including finanial administration, staffing, procurement, et cetera. In areas like employment, education and health, we examine more the public administration policy end of things than the content itself.

I think that has been the traditional role of the Standing Senate Committee on National Finance, and Senator Doody will confirm this. The committee is not bound by this, but reports done on the issue over the past several years do show that, by and large, the committee does focus on administrative policy much more than on public policy.

This is why I propose that we look into the estimates in order to get a better feel for the activities of the Department of Foreign Affairs. This is important because senior officials, be they ambassadors or departmental executives have considerable leeway. Approximately 11 or 12 per cent of Foreign Affairs employees are executives, whereas, in other departments, that figure is only 2 or 3 per cent. They perform important functions. They participate in negotiations on international trade, like Mr. Reis, for example, while others are involved in consular affairs or work on defence committees. They play very important roles. It seems to me that this could be a reasonable proposal. I am not making an official proposal, but I would like to submit it as food for thought and I would like to see us study the issue one day.

[*English*]

**Hon. John B. Stewart:** Honourable senators, clause 7 of the bill to amend the Department of External Affairs Act provides that hereafter section 10(3) will read as follows:

> The Minister may develop and carry out programs related to the Minister's powers, duties and functions for the promotion of Canada's interests abroad, including:
>
> (a) the fostering of the expansion of Canada's international trade and commerce; and
>
> (b) the provision of assistance for developing countries.

That is the general and vague language to which Senator Bolduc has referred. In substance, this new subsection will be the same as the one it would supplant.

I agree with Senator Bolduc entirely when he says that the language is general and vague. At the same time, it seems inevitable that when Parliament confers powers and duties on ministers in relation to foreign affairs, the language used must lack the precision of laws of domestic application. At the same time, we all recognize that how ministers perform their duties and exercise their powers is becoming increasingly important to the people of Canada. In the report of the Special Joint Committee Reviewing Canadian Foreign Policy there is reference to this matter. At page 87 of the report, it states:

> In today's interdependent world, international relations have an increasingly direct effect on the well-being of Canadians. They should therefore have the opportunity to deepen their understanding of the complexities of foreign policy, and to have an input into decisions that affect them.

Over the page it states:

> If Parliamentarians are to play a larger role in assisting Canadians to appreciate the impact of international relations on their daily lives, it is important that they themselves be well informed.

Last December when Bill C-57, to implement the agreement establishing the World Trade Organization, was before the Foreign Affairs Committee, we spent a fair amount of time talking about the need to assure that this new international organization will not come to be operated by officials cut off from the representatives of the people of Canada. If the organization, or any of the other comparable international organizations, operates in isolation, it will not be able to do its work with full efficiency.

• (1500)

The question that Senator Bolduc has addressed is the same one which concerns me: How can we help assure that those ministers who have heavy duties and great powers in foreign affairs, affairs which are increasingly important to Canada, remain responsible to Parliament and retain the support of Parliament? I think Senator Bolduc is right. The way to do it is the traditional way of referring the spending estimates of the Department of Foreign Affairs and International Trade to the

appropriate committee. As Senator Bolduc has said, the Standing Senate Committee on National Finance normally deals with the spending estimates, but quite often it attempts to get an overall view of some particular aspect of expenditure. Normally, it does not normally descend upon the detail of the policy which is being carried out by a particular department. In the case of Foreign Affairs, we need a committee that will review with the minister and his officials what the department is doing and do this year after year.

I agree with Senator Bolduc that this is not something that we should decide now. However, it is a proposal to which we ought to give serious consideration. Increasingly, what we do internationally is almost as important as what we do domestically. This is true in trade. It is increasingly true in international finance. It is true now in the fisheries, and I could go on. I support Senator Bolduc's proposal enthusiastically.

[*Translation*]

**Hon. Marcel Prud'homme:** Honourable senators, I would like to proceed the way they do in the House of Commons, with questions or comments regarding what was said by our esteemed colleague Senator Bolduc.

An idea I always wanted to develop with respect to the business of the Senate goes along the same lines as what was suggested by Senator Bolduc. I am not going to make a formal proposal. I am simply working on a proposal to change the way we work in the Senate.

I thought Senator Stewart was very encouraging. I appreciate that, and I am referring to the suggestion that the responsibilities of a standing committee should include more than examining the estimates which, as we know, are examined in the House of Commons —

[*English*]

— or are deemed to have been accepted on May 31 of each year.

[*Translation*]

Honourable senators, I always thought it was a rather unfortunate way to examine the estimates. I agree it would be hard to do otherwise in the House of Commons, but I think the Senate is the ideal place to engage in detailed scrutiny of programs and spending.

Not long ago, Senator Olson commented on my suggestion that the estimates should be examined under the headings of six or eight government envelopes, and that senators who were particularly interested or had particular expertise could sit on these committees the year round to engage in detailed scrutiny of each program. They would have the power to call witnesses, especially departmental officials as well as the minister.

I continue to promote this idea, and I was delighted to hear what Senator Bolduc had to say. I would appreciate hearing his comments on this.

If I am not mistaken, his suggestion is to have the Senate play an important role in examining bills and estimates. I am afraid I must disagree with Senator Olson, who said that we could examine anything we wanted on the Finance Committee. I think that is too much for one committee to handle.

I want to thank three senators who offered their assistance and those who urged me to persevere and to go and see them if I wanted further comments.

I would appreciate it if Senator Bolduc would comment. I know he is an expert on public affairs. He was a formidable administrator in the public service in Quebec. He knows everything there is to know. We must give everyone his due. We must also recognize a person's qualifications. I must admit that Senator Bolduc is eminently qualified in the field of government administration.

[*English*]

I would say the same about Senator Pitfield. If there is someone who knows the federal structure, it is Senator Pitfield.

If we could contribute more, the net effect would be a better Senate and a better understanding of the importance of the Senate. The Canadian population would see that the Senate can play a greater role. In this respect, I should like to ask —

[*Translation*]

— my friend Senator Bolduc if he has a few comments to make.

**Senator Bolduc:** If the honourable senators will permit me, I might say a few words on the subject. I would perhaps, qualify the remarks made by Senator Prud'homme.

He spoke of a detailed review of programs and votes as such. I believe we must be careful here. I would qualify this somewhat.

In terms of votes, we must remember that the role of the Senate is supposed to be more limited than that of the House of Commons. This review, which may not necessarily be of the fine details, could include a look at the policies behind the programs.

This, in my opinion, is one important role the Senate could play, given that senators have a variety of expertise. They have been here long enough, whereas, in the other place, there is a high turnover rate. Senators have practical experience in various areas. It seems to me that senators could play a role in the review — and I stress this point — of the underlying values, policies, programs and approaches of departments.

I was involved in this a little during a year I spent at the National Defence College, where we spent a lot of time looking at defence issues, but we looked at foreign policy matters as well. Public officials around the world have a lot of discretionary room. We have to see things the way they are. This is true in Ottawa as well. The minister is often away travelling, and so decisions are often left to those guarding the fort in his absence. This was my experience in the past.

It seems to me that parliamentarians should question public officials on their approach in various areas.

I am thinking of CIDA, for example — and this is not meant to be criticism — whose foreign aid policy is inconsistent in certain areas. Even in the government's policy statement or in the report, it would seem that everyone is in agreement, except that, in Africa, we note that it did not bring about the expected results.

Therefore, there comes a time when we must wonder because some people want to keep the machine running at all times, even though in some instances the machine is not effective. I think that this is an important point.

I am not advocating that we have the same amount of control as the elected representatives of the people, because I realize that they should decide on such issues. One area where senators have a lot to give relates to the positions taken, something I believe is important not only for this issue but also for others. I am only thinking about this one area in particular because we are discussing it.

**Senator Prud'homme:** I would like to continue this discussion with Senator Bolduc because I will certainly make a proposal to the Senate in the coming months. I have been reading everything that has been said on the issue, and it is quite extraordinary what one can find with the help of our good researchers in the library and elsewhere.

I agree with you that it is not within our mandate to veto expenditures which have been accepted by the House of Commons. The proposal which I am planning to make would not give us the power to reject, but the power to comment.

I do not mean to say that the Senate would have the right to veto expenditures proposed by ministers, but after having studied a project like the one at CIDA about which you were speaking, after having gone over it with a fine-toothed comb, slowly, patiently, as only the Senate can, and having found absurd things which have been passed by Parliament, we could make our comments known to all of Parliament.

As you can see, I am searching for a way of doing this. Instead of going about it privately, I am trying to do it publicly in order to solicit the advice of various colleagues. I am of the opinion that Senator Bolduc and I differ in opinion on but a few issues.

**The Hon. the Speaker:** Honourable senators, I have concluded that these are questions put to Senator Bolduc and not part of a speech. Of course, if this had been a speech, it would have contravened the *Rules of the Senate*. Thank you, honourable senators.

• (1510)

Motion agreed to and bill read third time and passed.

[*English*]

## BUSINESS OF THE SENATE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I move that all remaining motions and inquiries stand.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, the calendar should remain the same; that is, the clock should not move on those items.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

**Senator Berntson:** Honourable senators, before we move into Committee of the Whole, I understand that it is virtually impossible to keep your finger on the pulse of the dynamics of the other place. I also understand that there have been ongoing discussions as to how long Bill C-77 will take to arrive here.

Can the Deputy Leader of the Government paint the various scenarios that we may be facing over the weekend? Would he expect that we might be dealing with this bill in this chamber, tonight, Saturday, Sunday, or not until Monday? The reasons for asking this question are obvious. We do not want to come back from right across the country to deal with it on the weekend if it is advisable that we should stay here to deal with it tomorrow or Saturday.

**Senator Graham:** I thank the Honourable Deputy Leader of the Opposition for his question. My response to painting a scenario may look like a Picasso at its worse or at its best. Yesterday afternoon, I indicated that the chances of getting unanimous consent to proceed were remote. They were worse than that; they were zero. I thank honourable senators for their patience and their understanding.

However, being an eternal optimist, I am sure that efforts to gain unanimous consent will be ongoing at appropriate times today and tomorrow. In the event that unanimous consent is obtained, it is not beyond the realm of possibility that we could receive the legislation later today, however remote that possibility may be.

That having been said — here again I will be skating on thin ice, and I may have to resort to my ski-jumping story once more — it is my understanding that there is a house order in the other place, if all other efforts fail with respect to unanimous consent, to have report stage at 9:00 a.m. on Saturday with time allocation in the absence of unanimous consent.

That house order also includes, if required, a sitting in the other place on Sunday at 1:00 p.m. with time allocation to deal with third reading. In due course, the bill could be received in this place later Sunday. We will keep honourable senators informed as events unfold.

## TRANSPORT

### MOTION TO DEBATE MEASURE TO TERMINATE RAILWAY STRIKE—REFERRED TO COMMITTEE OF THE WHOLE

On the Order:

Motion of the Honourable B. Alasdair Graham:

That the question of the desirability of enacting immediately a measure to terminate the present railway strike be referred to a Committee of the Whole; and

That the Committee meet later this day.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I move that the Senate do now resolve itself into a Committee of the Whole to consider the motion and hear witnesses, and that Senator Corbin take the Chair.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

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### CONSIDERATION IN COMMITTEE OF THE WHOLE

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on the question, the Honourable Eymard G. Corbin in the Chair.

**The Chairman:** Honourable senators, the Senate is now in Committee of the Whole on Senator Graham's motion.

**Senator Lynch-Staunton:** Mr. Chairman, before we call the first witness, I would like to thank colleagues on the other side for agreeing to our suggestion that we proceed at this stage, before the bill comes to the Senate, with the witnesses whom we were hoping to have appear before us following second reading.

This has been done for two reasons. One reason is that the affected parties are given a chance to come before Parliament. I understand that during debate in the other place, the affected parties were not given a chance to testify or to give their view on the legislation. It is important that we hear them.

This is in the spirit of cooperation to accelerate the bill through Parliament. Had we waited until Monday, there would have been additional hours spent before the vote. By this procedure today, we are accelerating the process in the Senate. It is in the spirit of an understanding before the Canadian people that we have taken this unusual step of studying the legislation before it has been referred to the Senate

I hope that the Bloc Québécois in particular will realize that despite their obstructionist tactics, there are enough people in this country who are concerned about Canada's future that we can move ahead in this way.



**Senator Fairbairn:** Honourable senators, I would like to follow with a few remarks in response to my honourable friend. I concur entirely that this is a situation where the attention of this Parliament is essential. It is important that under the circumstances we carry out our function in a speedy manner to afford those who are most intimately involved with this issue the opportunity to come and explain their points of view. Their considerations are important to the deliberations of this chamber, and also to the people of Canada. I join with my honourable friend in hoping that those who would choose to obstruct this kind of legislation will realize the enormous risks for this country in doing so.

• (1520)

**The Chairman:** Before we proceed, I should like to call to your attention the presence in the gallery of the Minister of Labour, Madam Robillard.

Honourable senators, our first witness is Mr. Paul Tellier, President and Chief Executive Officer of Canadian National. He is accompanied by Mr. Terry Leneker.

I understand there is a loose agreement to allow approximately 30 minutes to each witness. I will not adhere strictly to that time-frame, but will attempt to recognize all honourable senators who wish to put questions.

Honourable senators, I believe the witnesses have been informed that we expect from them a 10-minute statement, with the remaining 20 minutes left to questions and answers. As I have said, however, the chair will be flexible.

**Mr. Paul Tellier, President and CEO, Canadian National:** Honourable senators, I will be brief in making my general comments. We believe the current situation to be quite serious for Canadian National and for shippers, manufacturers, plants, businesses and farmers across the country. As well, it is a serious situation for the economy as a whole.

Negotiations have been going on for 18 months. The media has reported that these collective agreements expired 15 months ago, which is accurate. However, in September of 1993, roughly three-and-a-half months before the expiration of these collective agreements, we resumed negotiations with the unions to put in place new collective agreements reflecting the economic realities of the 1990s. Therefore, while we find ourselves in the most unfortunate situation of a strike at Canadian National, it is not because we did not try very hard to negotiate.

I should like to explain why we think these negotiations are important for Canadian National. When negotiations commenced, we had four priorities. The first priority was to do something about employment security. Much has been written about this priority of the rail industry. However, there are other equally important priorities. Wage structure was one priority. Another was trade flexibility and an attempt to eliminate artificial barriers between various trades on the shop floor. Elimination of these barriers could save Canadian National $10 million. I am referring to the jurisdictional disputes between the various trades, such as electricians, machinists, and boilermakers. The final priority has to do with introducing flexibility into the working rules, especially in relation to the running trades that operate the trains.

These four priorities are important for two reasons. The first reason relates to a reduction of our cost structure. Why do we start there? Because 46 per cent of Canadian National's operating costs are directly related to labour costs — salaries and benefits. This is 30 per cent higher than the so-called class one railroads in the U.S. If we are to do something about the cost structure at Canadian National, we must start with labour costs.

These four priorities are also critical if we are to, at long last, become customer-focused and if we are to improve the quality of service. I will give you two examples. At this point in time, collective agreements allow members of unions to move to a position when the position becomes vacant. As a result, in our customer service centres across the country, for example, we have a tremendous turnover of personnel. These individuals interface with customers. We believe that this provision of the collective agreements must be reviewed in 1995.

The next example is very sensitive because some people say it involves safety. In terms of the running trades, we would like to extend the number of hours of work from 10 to 12 hours? Why? Because this issue relates to quality of service. Twelve hours is the norm in the U.S. We firmly believe that if it is safe in the U.S., it should be equally safe in Canada.

The current regulations of the Department of Transport in Ottawa provide for a shift of up to 12 hours. The collective agreements specify 10 hours. If we make that change, we could eliminate roughly half of the terminals and the crew changes one must go through in order to better serve the public. For example, the average journey of a locomotive engineer or a conductor is 130 miles. If we take a shipment of chemicals out of Sarnia and carry it to Halifax, a crew takes care of that shipment in Sarnia. There is a change of crew in Toronto, Belleville, Montreal, Quebec City, Edmunston, and a final change in Moncton before the train arrives in Halifax. We must sit down with the union leadership and examine how we can do things differently in order to reduce our costs and, more importantly, improve the quality of service.

[*Translation*]

The other issue I would like to raise, Mr. Chairman, is the direct relation between competitiveness in the rail sector and competitiveness in Canadian industry as a whole.

Take coal, for example. You know that 92 per cent of the coal produced in Canada, particularly in the west, ends up on the Japanese market.

When you look at the price of a tonne of coal delivered to Tokyo, over half of it represents the cost of transportation, if the cost of rail transportation and shipping are combined.

[*English*]

The railroad is the backbone of the transportation system in Canada. If we are not competitive, cannot reduce our rates, and cannot assist our producers — be they farmers, coal miners, the potash producers, or the car producers — the Canadian economy will be affected.

The last point I wish to make has to do with the viability of Canadian National.

• (1530)

[*Translation*]

It is obvious that if Canadian National wants to become a financially viable operation year in and year out — not just in good times when the economy is booming and we make a profit, as was the case in 1994 — it is essential that our costs be lowered.

[*English*]

A great many things have been said about the fact that last year, 1994, Canadian National had profits of $245 million. Compared to the $79 million in losses the year before, this is an impressive turnaround. However, one must keep in mind that we lost $1 billion the year before. If we are to put Canadian National on a financially viable basis for the short and long terms, some of these issues must be addressed.

My colleague and I, being responsible for labour relations, have done everything we could to avoid a confrontation. We were never looking for a confrontation with the union leadership. We have been trying to establish a new partnership with the union leadership. Unfortunately, to this point in time, we have not succeeded.

We would be happy to answer questions.

[*Translation*]

**Senator Lynch-Staunton:** Mr. Tellier, thank you for joining us and for your presentation, which gives us a better idea of the problems facing you and your employees.

[*English*]

Unfortunately, I have not had a chance to read the conciliation report thoroughly. However, the flavour I get is that the unions and the railroads are at an impasse and that bargaining on a voluntary basis is pretty well fruitless. Is that a quick summary of what Mr. Hope is telling us?

**Mr. Tellier:** Yes, very much so.

**Senator Lynch-Staunton:** Not to take sides one way or the other, he also says that the railways have made it plain that while the form of the demands of the railroads is negotiable, the substance is not. The demands of the railroads have taken on the cast of conditions precedent to an agreement.

It seems to me that the railroads have taken such a hard-nosed stance that they will even go to legislation to ensure that their demands are accepted. If my interpretation is correct, it seems to be a strange form of collective bargaining when one side comes in and says, "Take it or leave it."

**Mr. Tellier:** Mr. Leneker and I met with the commissioner. The commissioner has done his best to describe these issues. What he was saying is that these demands are very significant, and therefore it is very difficult for the leadership of these unions to say, "We recognize your financial situation, and yes, we will agree with these demands." It would be difficult for elected officials in these unions to agree to that.

I suppose that management of these railroads has come to the conclusion that it was a mistake to make these concessions in the 1980s. I was asked recently why I think employment security was granted in 1985. I was not there, as you know. Given the fact that I have been there for only two-and-a-half years, and not being a railroader and too old to become one, I surely do not blame my predecessor in any way, shape or form. I think these concessions were made because our predecessors thought that the downsizing in the rail industry was more or less completed. I cannot talk about CP, but Canadian National had in excess of 120,000 people on its payroll in the early 1950s. In 1985, employment was down to around 40,000. The belief was that the restructuring had already taken place and that it would no longer be required to further downsize.

The record has demonstrated that they were in error. You are aware that we are now two-thirds of the way through the downsizing program. Once we have finished, we will have taken the employment of Canadian National down from 32,000 to 21,000 or the mid 20,000s. It was a mistake. I do not wish to speak on behalf of CP, but we in CN came to the conclusion that we have no choice. This is not a question of asking where we come out. Either employment security exists or it does not exist.

Was it a "take it or leave it" proposition? No. We put various alternatives on the table. One of the things that is hurting us today is that there is no universal forcing. Not only is a person entitled to employment security, but he or she does not have to move to where there is employment. There were periods in 1994 where we were recruiting off the street in Western Canada, while in Eastern Canada we had 600 people drawing their full salary without working for it.

**Senator Lynch-Staunton:** I will ask one more question and then come back at the end if there is time. I will ask this question of every witness.

In Quebec, after a great deal of labour strife and repeated back-to-work legislation, the Essential Services Council came into force, and it seems to work. As you know, the two parties get together before the strike actually takes place and agree on what services are decreed essential. The strike goes on, and basic services are offered.

Do you see the advantages of that in your industry, which is certainly an essential service, and other national industries which can be considered essential, either privately or publicly owned, in order to allow a minimum of service while a strike takes place?

**Mr. Tellier:** This is obviously something which needs to be explored at some time. We at Canadian National have an open mind about this. My initial reaction, when I was asked the question recently, was that it would be perhaps more difficult in the rail industry to define what constitutes an essential service than it would be in Quebec with health services, for example. Management at CN has an open mind. If it were the desire of the government to have us explore this subject, we would be delighted to do just that.

**Senator Kinsella:** Mr. Tellier, how many collective agreements are in play in the negotiations involving your company?

**Mr. Tellier:** There are 59.

[ Mr. Tellier ]

**Senator Kinsella:** Building on the question of my colleague Senator Lynch-Staunton, do you feel that the Canada Labour Code is presently deficient in its provisions in terms of providing solutions to avoid this kind of situation in the future? If so, what kinds of changes should the government be examining?

The Leader of the Opposition has made reference to essential services. To the extent that the rail service is an essential service, is that a mechanism which has to be in place? In general terms, from your standpoint, are there currently some glaring deficiencies in the Canada Labour Code?

• (1540)

**Mr. Tellier:** I would be hesitant to say that there are some major deficiencies in the Canada Labour Code. However, we have examined every labour dispute that required the intervention of Parliament since 1950. When there is a strike affecting the rail industry, it has such a tremendous impact on the Canadian economy, people and businesses that it tends to distort the bargaining process. If we, the management, are ready to tough it out with the shippers, Parliament would intervene nevertheless because the economy is influenced so badly.

Therefore, over the last 40 years, every time there has been a major dispute, there has been intervention by Parliament. If you do not want to distort the negotiating process by such intervention, some mechanism must be found. Whether it is the one that the Leader of the Opposition was proposing a few moments ago in terms of the essential services or something else, I do not know. However, I would surely agree with the senator that something must be found. Canada is unique in the sense that when there is work stoppage, the economy quickly comes to a halt.

**Senator Kinsella:** Mr. Tellier, we must deal with this type of legislation from time to time. I assume you have seen Bill C-77 which was introduced in the other place. In the bill, there is provision for getting the workers back to work, for helping the parties to deal with the problem, and for binding arbitration. Is that not correct?

**Mr. Tellier:** Yes. What is being proposed is something similar, if not identical, to what Commissioner Hope suggested in his report. It is a phase one approach, phase one being mediation, involving a neutral chair, a representative of the unions, and a representative of management. Then there is binding arbitration if the mediation phase does not work out.

**Senator Kinsella:** Sometimes the model of binding arbitration that is advanced is final offer arbitration or final selection. Occasionally we have enacted legislation with final offer arbitration as the binding arbitration model. From your standpoint, which would you prefer to see as the arbitration model?

**Mr. Tellier:** I tend to think that interest arbitration, the traditional arbitration approach, whether or not it is based on final offer, is not the way to resolve this type of issue. In this sector, as in many other things, the world is not black and white. There are important nuances which must be taken into account. We believe the mediation and arbitration process is much better than straight interest arbitration, whether or not it is based on final arbitration.

**Senator Olson:** I should like to get down to what triggered this whole problem. The commissioner, for example,

characterized in his report certain company demands, "extremely controversial and provocative." I presume one of those was the companies' demand that employment security be removed. Is that correct?

**Mr. Tellier:** Yes. Based on the reading of his report and the conversation we had with the commissioner, the commissioner came to the conclusion — at least that is the way I read his report — that it would be very difficult for the unions to accept our position to start negotiating this because they have a membership. Therefore, as soon as they started bargaining employment security away, membership would say, "Where is your mandate to do this?"

**Senator Olson:** I understand that. The companies insisted months ago that that be one of the concessions before moving on to any useful collective bargaining.

**Mr. Tellier:** We were insisting that these priorities should be negotiated. Our biggest frustration was that there were no serious negotiations for most of these 18 months that I am describing.

**Senator Olson:** I understand that. We were led to believe that the companies were not making any effort in other areas. However, there were no other matters as controversial as this one. You wanted to get out of that job security problem that was already in their collective agreements before you would try to make any progress on other things. In fact, the other things were not serious problems.

**Mr. Terry Leneker, Chief Executive Officer, Canadian National:** That is not what happened during the course of negotiations. In fact, it was quite the opposite.

The unions occasionally stated that unless CN withdrew proposals to change the employment security provision, there would be no substantive negotiations. Two of those unions immediately advanced us to the conciliation stage of the bargaining process. Therefore, it was quite the opposite in terms of how it played out at the table.

The approach we adopted on the various issues was that we tried hard to find solutions. The solutions have been very elusive. We are at an impasse at this point in time. We have been open to any suggestion which would allow us to address the fundamental needs for changes in the industry.

**Senator Olson:** We have had opportunities over the past three months or so to discuss some of these matters with the leaders of the union. They told us that job security, which they realized was a problem and an outstanding difference, was part of the bargaining process and that they got it some time ago. I do not think anybody disagrees with that. They got it.

However, the next question is whether or not the companies or the unions give something of reasonably equal value in exchange for this job security that is such a problem to the companies now.

**Mr. Leneker:** If they did, it certainly has not shown up in any of the packages I have been able to examine since 1985, which was when employment security was negotiated.

In fact, average weekly earnings increased by 66 per cent between 1983 and 1993. That is a Statistics Canada figure. I believe the auto workers increased by approximately 67 per cent. The competition we face only went up by approximately 26 per cent in terms of average weekly earnings. One of the groups with which we are trying to deal is represented by the Canadian Auto Workers Union. Their rate of increase exceeded inflation by 7 per cent during that period of time. If they have given up something, it certainly was not in terms of wage increases.

**Senator Olson:** We will ask them later on today what they think they gave up.

You have been talking about job security now for months and have apparently come to an impasse. How do you solve the problem? Do you expect us to legislate it away from them?

**Mr. Tellier:** My understanding is that the Minister of Labour has introduced a bill in the House of Commons, and that bill provides for a process which begins with sending the workers back to work, then a mediation-arbitration process within a time frame, to which we will appoint a representative. Every union will do likewise. The government will appoint a chair, and every issue will be addressed. If that happens through mediation, hopefully mediation will succeed. Otherwise, it will become an imposed arbitrated decision. My understanding is that this will take place within a 70-day period. Every party will have a chance to be heard, to argue his or her case, and then the arbitrator will speak.

• (1550)

**Senator Olson:** That is my understanding, too.

**Senator Jessiman:** Mr. Tellier, regarding the $225 million which was earned in the last fiscal year, is your fiscal year-end December 31?

**Mr. Tellier:** Yes, senator.

**Senator Jessiman:** I understand there are 59 agreements.

**Mr. Tellier:** Yes.

**Senator Jessiman:** Have they all expired?

**Mr. Tellier:** Yes.

**Senator Jessiman:** Do they all expire on the same date, or are there various dates?

**Mr. Tellier:** The situation is this: In the shops, there used to be six unions. In 1993, we went before the Canada Labour Relations Board and argued that there was such similarity among the six bargaining units that they should be combined. We received an affirmative decision from the Canada Labour Relations Board and, as a result, the six shop unions were reduced to one.

Then there was a representation vote, and one of the six unions, the Canadian Autoworkers Union, won the vote not only in CN but also in VIA and in CP.

Prior to that, when there were six unions, CAW had signed a collective agreement in 1991. That agreement expired on December 31, 1993. In terms of the other five unions, they have been without collective agreements since December 31, 1991.

**Senator Jessiman:** Will they now all expire at the same time?

**Mr. Tellier:** Yes.

**Senator Jessiman:** Are they all for the same period? Are they all for two years or for three years?

**Mr. Tellier:** The bill introduced in Parliament by the Minister of Labour provides for new collective agreements which would stay in place until December 31, 1996.

**Senator Jessiman:** Would they be retroactive to the expiration of the other agreements?

**Mr. Tellier:** Yes.

**Senator Jessiman:** How is CN doing for January and February and March of this year, exclusive of what you have lost in these last few days?

**Mr. Tellier:** The first two months of 1995 have been as good as the 12 months of 1994. We were doing extremely well until this labour dispute started 10 days ago, senator.

**Senator Jessiman:** You are still working under what you call "horrible conditions." However, you must remember — although, as you say, it was not you yourself but the person who previously filled your shoes who has given up whatever it is that was given up. That is how a bargaining procedure works. For whatever was received in return, they probably had to give up something, too.

What would you predict? What are your estimates of profit for the fiscal year ending December 31, 1995, assuming you remain as you are now?

**Mr. Tellier:** Senator, if you want me to say that we should be profitable again in 1995, I agree with you that, under normal circumstances, we should be. However, senator, it is important to keep in mind that, traditionally, the balance sheet of Canadian National looks like a roller coaster. Most of the time, this company has been losing money as opposed to being profitable.

In order to be profitable on a longer-term basis, you must improve the operating ratio, to use the jargon, and to bring it down. The operating ratio is how much you have to spend in order to collect one dollar of revenue. Two years ago, in order to collect a dollar of revenue, we had to spend 97 cents. This means we had only 3 cents left to reimburse our debt or to pay the interest on our debt and to pay for capital budget, buying new rolling stock, improving the road bed, and what have you.

We succeeded in 1994 in improving our operating ratio from 97 down to 90 cents. That means that, in 1994, we had 10 cents left on every dollar of revenue to pay the interest on the debt and to invest in improving the property. In order to be profitable year in and year out, and during a recession, for instance, we must bring it down to about 85 cents. This is the level for the U.S. Class I.

Last year, you know that the Canadian economy was exceptionally good. We had a rate of growth of close to 5 per cent. This will not be there forever. If we do not bring our cost structure down quickly, the next time we face a recession or a slowdown in the economy, again we will go into the red.

The last time the Government of Canada recapitalized or invested money in Canadian National was in 1978, because the debt load was dangerously high. The government then said "You must sell some of your non-core assets, such as hotels, and you must apply the proceeds of those asset sales to the reduction of your debt." Now the debt is increasing again, and if we do not reduce our cost structure, when the next recession comes, whether it be in two years or five years, we will face the same situation again.

**Senator Jessiman:** This $225 million is a true profit. What would be the cash flow for the year ending December 31, 1994, adding back depreciation and whatever?

**Mr. Tellier:** I think it is just slightly under $400 million. However, Mr. Chairman, it is very important to note that the $245 million of profit in 1994 was not sufficient for us to avoid increasing our debt in 1994, nor was it sufficient to finance our capital budget with our cash flow. Our capital budget to improve the railroads in 1994 was in excess of $450 million. In spite of the fact that we had profit of $245 million, we nevertheless needed to borrow in 1994.

One reason that our debt keeps growing is the necessity of paying for these buyouts, these termination benefits. Although some people have employment security, we offer a termination benefit package to employees who renounce employment security. Last year, this cost us in excess of $100 million, cold cash.

**Senator Jessiman:** Of all the other unions in Canada and the United States, do the union members who work for your company have the best benefits? Are there any other companies in the same position as you? Do you know?

**Mr. Tellier:** In terms of employment security, I would say yes.

**Mr. Leneker:** I believe the employment security benefit is an exceptional benefit based on railway standards in North America. On the operating side of the house, there are similar provisions in place in Canada as those which exist in the United States in terms of protection for surplus people. We call them furlough boards. In the United States they call them reserve boards. They pay income protection at the rate of about 80 per cent of a person's income. On the operating side, it is very comparable. On the non-operating side, it is not.

**The Chairman:** We are well over the half-hour mark. However, flexibility is in order. I have five more senators wishing to speak. I would invite them to be concise and to the point.

**Senator Tkachuk:** Mr. Tellier, I have a couple of questions. You mentioned the percentage of labour costs in the operation of your railroad. I think it was 46 per cent. Does that include non-union employees?

• (1600)

**Mr. Tellier:** Yes.

**Senator Tkachuk:** It includes everyone. What would the percentage of the cost of non-union employees be compared to the total cost of operating the railroad?

**Mr. Tellier:** Just in excess of 80 per cent of our labour force is unionized. Roughly 19 per cent would be managerial jobs, supervisors, and clerical jobs. They are not members of a union.

**Senator Tkachuk:** How would that compare to the labour costs of American railroads?

**Mr. Tellier:** Our overhead is higher than in the U.S. We have been reducing our overhead, but it is still too high. For instance, of the 11,000 jobs that are being abolished over a three-year period — we are in the third year — roughly 25 per cent will be non-scheduled or non-unionized employees. You are perfectly right, senator.

You will be interested to know that when we began our downsizing program, I started right at the top. After 10 weeks on the job, I abolished five vice-presidential positions. We started right at the outset, right at the top, and moved down the ladder.

Our overhead is still much too high. I expect to be able to reduce this by another 750 non-scheduled employees in the first part of this year.

**Senator Murray:** Mr. Chairman, the government had to act, and it acted promptly. Although it is somewhat impertinent of me to say so, I think the government acted quite responsibly in dealing with the procedural problems in the House of Commons. That being said, the question is whether the bill that Mrs. Robillard has introduced is the best way to go.

You are aware, Mr. Tellier, that the commissioner, Mr. Hope, suggested a rather different process to deal with this standoff. Why is this bill superior to the process advocated by Mr. Hope?

**Mr. Tellier:** I am not sure that the process the Minister of Labour is proposing is different from that proposed by Commissioner Hope. What is different is the time frame. Commissioner Hope proposed a 60-day period for the first phase, the mediation, and then a 120-day period for the second phase. The Minister of Labour has shortened this time frame.

If you are asking me whether this is the way to go, I would say that 70 days is a very long period of time. In the U.S., they resolve issues such as this within 30 days.

**Senator Murray:** It is not for me to say why Mr. Hope made a particular proposal. However, it seems he was motivated somewhat by considerations of the psychology and the dynamics that exist.

One of those considerations in his view — and I am quoting him indirectly — is a perceived bias on the part of the government as to the policy outcomes. I think, therefore, he wished to have a somewhat more elaborate process with a view to attaining a wider measure of agreement or consensus among the parties. However, you seem to prefer the shorter time frame.

Two problems arise with that perceived bias. The Senate passed a bill a couple of weeks ago with respect to the West Coast ports in which we instructed the mediator-arbitrator to take cognizance of the report of the Thompson Conciliation Commission that had reported previously. I do not see any such provision in the present bill. Would you have objected to such a provision, had it been contained in this bill?

**Mr. Tellier:** As I said, the process that the Minister of Labour is proposing is similar, if not identical, to what Commissioner Hope recommended. During the Christmas holidays, a great deal of work went into drafting briefs and expressing views before Commissioner Hope. The parties' cases have been extremely well-documented. I am sure that whomever is appointed by the government, the railroads and the unions will draw very heavily on the recommendations that already exist. That is one reason why I believe it should be possible to proceed in a much shorter time frame, given the fact that, as Commissioner Hope himself has said, the parties have spoken *ad nauseam* about their position over the last 18 months.

**Senator Murray:** I will put that question to the minister when she testifies before this committee.

Mr. Tellier, you have had experience with this kind of legislation in the past. I note that clause 12 of the bill now before the House of Commons is described as "Guiding Principle," and reads:

> Each Commission shall be guided by the need for terms and conditions of employment that are consistent with the economic viability and competitiveness of a coast-to-coast rail system in both the short and the long term, taking into account the importance of good labour-management relations.

Can you recall any precedent for that type of clause in back-to-work legislation?

**Mr. Tellier:** I am no expert in back-to-work legislation or labour relations. However, I find clause 12 extremely important because, in the past when it was only an arbitration process, the arbitrator attempted to split the dispute in the middle, very often creating a totally unmanageable situation.

One of the previous arbitrators produced a report that made the management of railroads extremely difficult. The recommendations in his report were simply not practical.

**Senator Murray:** The information you have placed before us in your opening statement and in reply to questions from senators is not only relevant but extremely important. However, Parliament is being asked to act in an urgent way in an emergency situation to end a work stoppage and get the railroads running again.

I do not know that we should be asked to solve all the other problems at the same time — and I do not wish to be unduly critical, because I have some appreciation of this matter — particularly the problem of a lack of definite government policy in some of these areas. I do not think that, with this bill or with this mediation-arbitration process, we can be expected to solve all the problems you have described so well to us. I think it would be very dangerous for us to attempt to do so.

**Senator Oliver:** Following in the footsteps of Senator Murray, I have two questions arising from the legislation. I am not asking for facts, but for your opinion on some of the clauses in the bill.

Clauses 11, 33, and 55 of the bill would permit the mediation-arbitration commission, in the absence of an agreement between the parties, to fix a termination date for the new collective agreement. The date could not be earlier than December 31, 1997. Should the commission not be given the unfettered ability to fix the termination date for the new agreement?

• (1610)

**Mr. Tellier:** It is important to bring about some stability and some certainty. To have a four-year period of stability would make a lot of sense for the employees, their unions and management. I do not think a four-year term for a collective agreement is excessive. To the contrary, I think it is highly desirable for the industry and for the economy.

**Senator Oliver:** Why not give the commissioner the discretion to do it in another period of time?

**Mr. Tellier:** I suppose it could have been left. It is very similar to the question asked by Senator Murray about the guidelines. I personally find this a very useful guideline. The parties are trying to put in place something that will bring stability to the industry for four years.

**Senator Oliver:** Further to a question asked by Senator Kinsella about the process, I direct you to clauses 10, 32 and 54 where it provides for the establishment of a tripartite mediation-arbitration commission. In view of the fact that there are so many parties and this has been going on for 18 months, do you favour the tripartite or single arbitrator-mediator? Do you not think a single arbitrator-mediator in these circumstances might bring about results more quickly?

**Mr. Tellier:** That is a complex question. One could argue both sides of the case. A separate commission for every railroad — one for CN, one for CP, one for VIA — could speed up the process and reflect the differences that exist between the three. It means that if you want some degree of consistency, some discussion would have to take place between these three commissions.

The same is true in terms of our representatives. The railroads will have to decide whether we want one person to represent us vis-à-vis every bargaining unit or have only one representative in that process. Again, it all depends on how the panel or commission is structured.

**Senator Andreychuk:** Mr. Chairman, I wish to follow up on your comments with respect to safety. I understand why, for competitive reasons, you are comparing your positions and your work employment situations with the United States. Going from 10 hours to 12 hours is a very dramatic increase. Are you looking to statistics beyond the safety records that may be within the U.S. system?

**Mr. Tellier:** No. There is an organization called the American Association of Railroads, and the two freight railroads belong to this organization. Therefore, when statistics are released on safety records, Canadian National and Canadian Pacific are compared with the large American railroads.

Last year, I am pleased to say, Canadian National was the second safest railroad in North America. We are always in second or third place. A situation which is safe for ConRail, which is operating in the northeast of the U.S. under conditions similar to ours, is equally safe for Canadian National.

We are not suggesting that every crew should be working 12 hours. However, we are saying that if an additional hour or two is required to complete a journey as opposed to changing or replacing that crew, we think that is highly desirable, especially in terms of customer service. I do not think this should compromise the safety records of Canadian National.

**Senator Andreychuk:** I am asking what other independent studies you have done. You are relying on one source, as I understand it. You say we should not compromise. I think I would want more assurance than that. That is an issue being raised in communities.

**Mr. Tellier:** The safest railroad in North America is operating under the 12-hour rule. In Canada, the Department of Transport allows the operating of train crews for up to 12 hours. What is preventing us from asking the crew to work up to 12 hours is the collective agreement, not the safety regulations of the Department of Transport. There is no evidence that extending to 12 hours would affect our safety record because some of the safest railroads in North America are already operating under that norm.

**Senator Andreychuk:** You are presently running an advertising campaign, are you not, about the change of direction of the railway?

**Mr. Tellier:** Yes.

**Senator Andreychuk:** When was that instituted, for what purpose, and what is the cost of that campaign?

**Mr. Tellier:** That campaign was designed a couple of months ago. The work on that campaign started approximately three months ago. Canadian National is the twenty-fifth largest organization in Canada. We advertise regularly. I do not have at my fingertips the design costs and media costs of that campaign, but I would be delighted to provide you with that information.

**Senator Andreychuk:** When did it commence?

**Mr. Tellier:** I think it commenced about a week ago.

**Senator Stewart:** You made reference to the 10-hour shift. What limits are there on the number of hours to be worked in any one week, if any?

**Mr. Leneker:** There are no limits per se on the number of hours to be worked in any one week, but there are rest provisions in the collective agreement to ensure that people have the appropriate time to rest between shifts. The number of hours is essentially controlled by mileage, and the mileage is dictated by collective agreement. It gets into a rather complex explanation about the pay system that is in place.

**Senator Stewart:** You will have to tell us more than that. You leave us with the possibility that they will work six or seven days a week, 10 hours a day. You will have to be a little more explicit.

**Mr. Leneker:** The collective agreement allows a person to book rest after 10 hours on duty.

**Senator Stewart:** What is the rest period?

**Mr. Leneker:** After 10 hours on duty, I believe the rest period is 12 hours.

**Senator Stewart:** Would the rest period be hours which, without that provision in the agreement, would not be worked?

**Mr. Leneker:** That is right. Once a person has completed an assignment, they then can book rest and not be called back for a period of time. The number of times that they can be called is dictated by the number of miles that they are allowed to run over the course of a month.

**Senator Stewart:** For one or more of the more important trades, how many hours do they actually work on average per week?

**Mr. Leneker:** Perhaps I can come at this in two ways. Let us take our Western Canadian crews as an example. The operating people on our Western Canadian crews would work probably 10 assignments in the course of one month's time.

**Senator Stewart:** That is 100 hours.

**Mr. Leneker:** Yes. In terms of the non-operating people, our trades people and our clerical people, the basic hours of work are 40 hours a week.

**Senator Stewart:** Mr. Chairman, I have quite a different kind of question now. Mr. Tellier has made reference to downsizing and rationalization. I do not know that those are his exact words. Changes have taken place which were not contemplated in 1985, relating particularly to employment security. We all realize that we live in a rapidly changing world. I am concerned with the prospects for a reasonably satisfactory ultimate outcome.

• (1620)

Without going into great detail, could you tell us what you see as the major changes which affect the operation of your company in either the transportation industry or the general economic circumstances in which you have to compete?

**Mr. Tellier:** Do you mean over recent years?

**Senator Stewart:** Since 1985.

**Mr. Tellier:** First, we continue to lose traffic to trucks. This is a steady decline. More and more goods are being shipped via the highway as opposed to rail.

Second, our rates have been going down systematically in real terms year after year, on the average of 2 per cent to 3 per cent per year.

**Senator Stewart:** Why is that?

**Mr. Tellier:** That is because of the competition and because of the downward pressure being applied by the shippers. In order for coal producers, potash producers or lumber producers to be competitive on the world markets, they have to bargain hard with Canadian National to get better rates. Every time we increase our productivity, as we have done by about 70 per cent over the last 10 years, we pass these increases in productivity to the shippers through lower rates.

**Senator Stewart:** However, the ultimate cause of change, to which you have referred at least twice, is competition from trucking?

**Mr. Tellier:** Yes, trucking and the U.S. railroads.

**Senator Stewart:** Is the competition from the U.S. railroads a new factor?

**Mr. Tellier:** No, but that competition increases all the time. Therefore, a cost structure which was making sense in 1985 is no longer affordable in 1995. In short, this is why we are asking for these changes.

**The Chairman:** I wish to remind honourable senators, some of whom may not have been here earlier, that there is a loose understanding that we will allow half an hour for each witness, including the statement, questions and answers. We have now been in Committee of the Whole for one hour. I invite honourable senators to be brief and to the point. We have yet to hear four other witnesses.

**Senator Bryden:** Mr. Tellier, you indicated that at one point CN employed 120,000 people. Approximately when was that?

**Mr. Tellier:** That was in the late 1940s, early 1950s.

**Senator Bryden:** It took 120,000 people to run a national railroad. Now, you think it takes about 25,000 people to run a national railroad. What has happened?

**Mr. Tellier:** There has been a tremendous increase in productivity and changes in technology. Of course, we are no longer using coal or steam engines. We no longer have cabooses at the end of trains. This has all changed as a result of technology.

For instance, the purpose of cabooses was to ensure that the train was ridden in a safe fashion. We now have what we call "hot box detectors" along the rails which detect bearings or journals which are burning or getting hot. Through a computer system the crew is informed and they can stop the train. It is basically as a result of the advanced use of technology that we have considerably reduced the size of the labour force.

**Senator Bryden:** How much of the reduction would be accountable for the reduction in service to various parts of the country?

**Mr. Tellier:** The network has been rationalized or reduced to a very limited extent. As you know, since the 1987 adoption of the National Transportation Act, there has been a complete freeze on the abandonment of grain branch lines. Therefore, there has been no rationalization of the network. Except for a couple of hundred

miles which we have sold to a shortline operator between Truro and Sydney, Nova Scotia, we are still running the two main lines going through New Brunswick to Halifax. The network of Canadian National has not changed very significantly in Quebec or Ontario.

The number of miles of tracks abandoned over the years has been quite small. You may recall that in the National Transportation Act of 1987 there was a clause which said that the railroads should never be allowed to abandon more than 3 per cent of their total trackage. We did not come close to abandoning even that much. I cannot remember as far back as 1950, but in recent years there has been no major reduction of the network.

**Senator Bryden:** You mentioned that one of the reasons the number of employees was able to be reduced was the technological changes. Would I be correct in saying that the basis for the employment security provisions was primarily to offset displacement by technological change? In other words, the reason for the technological change was that it made the railroad more efficient and more profitable, and therefore the employees should not suffer because the railroad became more efficient and more profitable through something over which the employees had no control.

**Mr. Tellier:** I suppose so. To put it bluntly, the union leaders were very smart. They outsmarted the management. They got very good agreements for their members. We cannot blame them for having achieved success. They negotiated a very good deal for their members in 1985. They are the last people I would blame for getting these concessions from management. I suppose management was weak.

**Senator Bryden:** Parliament is now being asked to correct the weakness of management in 1985.

**Mr. Tellier:** Parliament is being asked to ask the workers and the companies to go back to work and to put in place a process whereby these issues will be addressed in an impartial and unbiased fashion which, hopefully, will resolve this dispute in a mutually satisfactory fashion.

**Senator Bryden:** I agree that the situation has to be resolved and that it can only be resolved by Parliament. However, I understand, although I have not seen the bill, that it contains a highly unusual provision which directs the arbitrator to take into account the future profitability of the company in coming to his decision.

**Senator Haidasz:** Whatever happened to the CN Express? I used to work for them during the summers when I was a student. Was that service replaced with something else, or was it abandoned?

**Mr. Tellier:** It was abandoned. It has not been replaced.

**Senator Haidasz:** Who performs that service now?

**Mr. Tellier:** Either private sector firms or Canada Post.

**Senator Haidasz:** Why did you abandon that service?

**Mr. Tellier:** That happened long before my time, but I think it was abandoned because it was losing money.

[ Mr. Tellier ]

**Senator Haidasz:** What are the comparative rates between delivery by CN and by the trucking industry?

**Mr. Tellier:** Senator, it would be difficult to give a general answer because it depends very much on the commodity or the shipment about which you are speaking. As you know, all our rates since 1987 have been negotiated on a confidential basis with the customer, the shipper and so on. It varies depending on whether you are talking intermodal, moving a trailer or container on our train, moving cars on a tri-level for General Motors, Ford or Chrysler, or about moving potash and so on. I do not want to go beyond that because I am not able to give you an accurate answer on whether on average our rates are about the same or slightly higher or slightly lower. Also they vary in various parts of the country.

• (1630)

**Senator Haidasz:** Is overtime work an issue during this present strike?

**Mr. Leneker:** No, it has not been raised as an issue. The discussion in terms of overtime has centred primarily around the employment security issue. There are areas where people work overtime. Unfortunately, there are also areas in Canada where the employment security provisions caused a surplus of employees, while in other areas of the operation there is overtime accumulating. There are surplus tradesmen in the Atlantic region, for example, and we are unable to redeploy those people to the Metropolitan Toronto area where there are people working overtime.

It is important for the chamber not to conclude that Canadian National is simply trying to pull the employment security provision out from under the workers. We are trying to put in place what we believe is a very beneficial income maintenance program. There are provisions being proposed which would allow a person up to six years to make an appropriate life or career transition with income benefits of up to 85 per cent.

We are attempting to substitute the "job-for-life" arrangement with something that makes a great deal more sense from the point of view of today's industrial setting. It is important for people to understand that it is not simply pulling the benefit away and abandoning the workforce to the vagaries of the economic situation.

**Senator Comeau:** Notwithstanding what was said regarding the average weekly earnings that were made by the rail workers, my understanding is that certain bargaining units of the railroads did, in fact, concede earnings in exchange for what has been termed "gold-plated protection" by certain media outlets. You do not seem to doubt that these concessions were, in fact, made in 1985.

Having said that, and since these people did, in fact, bargain and work under those provisions for the past number of years in good faith, I do not think you should be coming to Parliament every few years and saying, "Our predecessors made a mistake, therefore we would like you people to correct the mistakes of those who were sitting in our chairs in the past."

Have you made any kind of provision under the earnings protection system for those people who have been working over these last number of years under the strain of technological change? Would those people who have earned those rights continue to have them under some sort of grandfather clause?

**Mr. Tellier:** No. However, there are provisions on our balance sheet in 1992 for attempting to buy our way out of these provisions and for paying termination benefits. We took a special charge in our balance sheets for $924 million. That gives you an indication of how big this commitment and this liability is on the balance sheet.

As a result, if somebody agrees to give up his or her employment security, and we give, let us say, $75,000 or $80,000 in termination benefits, and so on, this has been accounted for in our balance sheet in 1992 where we took that special charge in excess of $900 million.

**Senator Comeau:** Do I understand that those who have had this protection since 1985, under the new contract which you are proposing they would suddenly lose the rights with which they have worked these past years?

**Mr. Tellier:** That is correct.

**The Chairman:** I thank honourable senators. On your behalf, I wish to thank both Mr. Tellier and Mr. Leneker for their appearance and their testimony this afternoon.

Honourable senators, our next witness will be Mr. Gary Fane, Director of the CAW, Canadian Autoworkers.

If you are ready, Mr. Fane, on behalf of the committee I wish to welcome you to the Senate and invite you to proceed with your statement.

**Mr. Gary Fane, Director, Canadian Autoworkers Union:** Mr. Chairman, thank you for giving us the opportunity to be here today.

Buzz Hargrove, the President of the CAW, was expected to be here today, but we have had a death in the organization and he could not appear. Thus, I was drafted to come today and to put forward the position of the Canadian Autoworkers Union.

The Canadian Autoworkers Union represents approximately 200,000 people in Canada. There are in excess of 20,000 railway workers: 13,000 at CN, 3,000 at VIA Rail, and 4,500 at CP Rail. Our union is fairly new to the railway. We have only been on the rail since 1989 when one of the shop craft unions joined our organization. Three years after that, there was a vote of shop craft workers. That vote ended in 1993, and our union was successful. Shortly after that, an organization called the Canadian Brotherhood of Railway and Transportation Workers joined the CAW, and that is how we got to be the largest railway union, if you add up all three railways.

I go to the bargaining table for all three railways, and I chair all of the bargaining sessions. It was inevitable that we would end up here, before the Senate and before the government, because for the longest time we have been attempting to negotiate a collective agreement without any government action or interference. Unfortunately at this time, with the railways all being closed, we have come to the realization that this will be impossible to do.

• (1640)

On behalf of all of our members, we have not gone on strike anywhere. We have not gone on strike at CN, VIA or at CP. We attempted to negotiate. We used the strategy of picking one railway, CP Rail, and ensuring that customers could deliver their goods on CN and that commuter traffic would keep moving on VIA Rail. Our approach was to pick one railway only, since we seem to have a history in our country where all the rails go down together, and then legislation and arbitration are effected. We are not happy that this has happened. We had been trying to ensure that it did not happen. As you know, we have not been successful. There are a number of different unions in the railway, a great deal of frustration with the bargaining process, and some felt that they had to act.

We have been negotiating on an employer's agenda for the last 16 months. There are major concessions on the bargaining table. The employers have gone so far as to say to us, "We will change things to the point where you will give us our concessions or we will get them one way or another." We used to have a fear that "one way or another" meant that the Government of Canada would pass legislation that would take things out of our collective agreement. Now after studying the legislation, we have great fears about article 12 where it says the terms and conditions of employment shall be consistent with the economy, economic viability and competitiveness of a coast-to-coast railway system.

The employment security that has been talked about so much by employers was also mentioned two years ago when the Department of Transport, together with CN, prepared a brief saying that this protection had to be taken out of the collective agreement. It is like having an insurance program. We have had it for 10 years. It did not cost anything. Now, when the company wants to get rid of thousands of workers, you pull it out and say we have to change it. Our union is used to downsizing. We have gone through a lot of it in our other industries. We have reduced our membership by thousands of workers at CN particularly, people who have taken a modest amount of money or a pension and given up their jobs.

We spent a lot of time on the Hope process, and the Hope report pointed out that there had been a great deal of interference in the collective bargaining process. The Honourable Mr. Young, the Minister of Transport, declared numerous times that the collective agreements had to be changed, and, if they could not be changed by the bargaining process, perhaps the government would have to change them. We have negotiated a collective agreement, and the government transportation chairperson says, "We want to take everything away." I have personally been to the bargaining table with CN when they have said to us, "You can give us what we want or we can get it another way." Mr. Hope said that it would be wiser for the union to negotiate the best price they could receive if they want to change things.

On the employment security question, the union has proposed at least 10 or 11 different changes directed at diminishing the company's liability. Our people do not want to sit at home and get paid to do nothing. That is not what they want. The employment security was a protection so that when the company increased their profits through technological, operational, or organizational changes, the workers would be protected and not tossed out into the street.

Compare what our members are paid with the average pay in the industry. Shop craft workers, tradespeople, machinists, electricians and all the other trades are paid between $18 and $20 an hour. The average is $25 an hour in industry, and in any major industry it is usually more than $25 an hour.

The railway workers work hard. They like working for CN, CP and VIA. They provide a quality service. They have not wanted to negotiate a collective agreement in a manner in which they have to be afraid that the government will take away their protections.

I wish to talk particularly about two or three things that have gone on, starting with CN. There is a shop in Montreal called AMF. In September, 1993, CN created a second separate company and told 1,600 workers that although they had been CN employees for 20 to 30 years, they had no more seniority at CN now that they were AMF employees. This case has gone to the Canada Labour Relations Board. It is in arbitration. We have been trying to negotiate a settlement for it. After being faithful CN employees for 20 to 25 years, they told these people, "You have no seniority any more. You are not allowed to bump over and go back to work at CN."

We also have 3,500 shop craft employees who have had no contract since 1991 because the unions representing them at the time would not force them to move from Montreal to Vancouver or Winnipeg when the company was moving their work into those places. The other unions did not sign those types of agreements. These are the same people who said, "Even if you were to give us a raise of 3 per cent one year and 3 per cent the second, we prefer not to do that because it is not in the best interests of our families and our communities."

At VIA Rail, we have had absolutely no quality collective bargaining. The company has said to us, "The Liberal government is cutting back subsidies just like the Conservative government did. All of your workers must take less. You can take less now or you can take less later." Originally there was some discussion on whether they would be included in the legislation. The company did not want them included in the legislation because they knew that the fight could go on for a long time, and even though the workers would be hurt, the government could say it was cutting the deficit by closing VIA. VIA is a very touchy situation with us. We have not been aggressive there. Our people are now locked out. We did not go on strike.

With CP Rail, there is a place called Angus where 1,200 people used to work. When they closed the place down in 1991, they gave everyone a signed agreement that said, "Even if employment security changes in collective bargaining, your employment security will not change, even in future collective bargaining sessions." This document was signed by CP Rail senior management. When they came to the bargaining table, they told us that even though that agreement was signed when our union was not on the railway, they expect us to change that agreement to move 250 Québécois to Calgary, or else they will not negotiate a collective agreement with us. They want that case to go to an arbitrator because they know it is morally wrong to hold up a collective bargaining session for 4,500 people to change an agreement that they wrote in blood in 1991.

These are some of the problems we face at the bargaining table. We did not want legislation. We purposely did not have a strike. We tried to put some economic pressure on CP Rail to negotiate a fair deal with us so that we could have a collective agreement that would be a precedent for the other railways. As you see, we were not successful. We are not happy that the rail service is closed down in the country.

• (1650)

We think it is a serious mistake to leave the Hope Commission report out of the legislation. It does not refer to the Hope report and the good work he did. I spent a whole month with Mr. Hope, as did the other unions and the companies. He is a labour relations specialist who is attempting to find a balance. We think the balance is not there yet.

We can live with mediation. If you have a good mediator and mediate properly, you do not need arbitration. However, the arbitration process as it is set up in the legislation is not right. It is not proper and fair when you can leave the employers sitting on clause 12.

Mr. Chairman, that is all I have to say on behalf of our organization. I once again thank you for the opportunity to appear before you today.

**The Chairman:** Questioning will begin with Senator Lynch-Staunton.

**Senator Lynch-Staunton:** Mr. Chairman, one thing we agree on is that we are all unhappy being here for the third time in 13 months having to pass back-to-work legislation — twice this month. Something is desperately wrong with our system of negotiation when we must automatically come to this conclusion, one which is unsatisfactory to all.

I do not want to put words in your mouth, Mr. Fane, but I gather you feel that decisions regarding the next agreement, once the legislation passes, have pretty well been taken and that the companies' views will prevail. Is that what you are telling us or suggesting to us?

**Mr. Fane:** I have negotiated many collective agreements. I have found absolutely no creativity or flexibility on the CN or VIA bargaining tables. I have seen some on the CP table. Yes, I think there are limited options. Much will depend on the quality of the mediation-arbitrator.

**Senator Lynch-Staunton:** I find a contradiction with respect to the mediation-arbitration commission. You are asking a panel of three people to reach mediation between the parties. Should they fail, then these same people become arbitrators. Is it usual that the same person who fails at mediation can then impose his failure — to put it in simplistic terms — as an arbitrator under compulsory arbitration?

**Mr. Fane:** In my opinion, yes, it is because the power of the mediator to be the arbitrator will squeeze a lot of people into being extremely reasonable. The arbitrator may look you in the eye and tell you that you are not being reasonable and that he or she has the power to decide on something that will affect your

collective agreement. Even though I prefer a freely bargained collective agreement with no third party, a good mediator-arbitrator can cause people to be as reasonable as possible because of the power he or she has.

**Senator Lynch-Staunton:** Mr. Hargrove has told us repeatedly that you have been locked out. Your original tactic was to use various pressure points, such as discouraging traffic from one railroad and moving it to the shippers. I understand the unions had all agreed to this strategy, and then something happened and the agreement fell apart. The unions are no longer together on strategy; is that correct?

**Mr. Fane:** They are definitely no longer together on strategy because the CAW strategy would have ensured that VIA Rail and the travelling public kept travelling. We would have had at least one freight railway working. Obviously, we do not agree on strategy. One union in particular felt that CP Rail was ignoring them and decided to speed up the strategy.

**Senator Lynch-Staunton:** Are you open to an essential services concept where a strike may go on but certain basic services by the struck industry are still available?

**Mr. Fane:** We believe that free collective bargaining should include the right to strike and walk out. We are not convinced that the railways as a whole are an essential service. Our strategy would have ensured that CN kept moving while we dealt with CP. We prefer to deal with one railway at a time while ensuring that customers get their goods to market on the other railway.

**Senator Lynch-Staunton:** When the threat comes that the whole system will be shut down, as we saw it developing not so long ago, would an essential services concept help to keep basic service? Instead of three trains between Montreal and Toronto, we could run only one.

**Mr. Fane:** We would certainly be open to that concept to see how it would work.

**Senator Oliver:** You said that sooner or later you knew you would end up here. That in itself is a disappointment. You then said that the strike is not something that makes you happy, that you are negotiating on an employers' agenda, and that Minister Young said of collective agreements that they must be changed to give us what we want or we will get it another way. Finally, you said that there has been no meaningful collective bargaining at VIA Rail.

All of those are very negative statements when you take them at face value. When I compare those statements to the draft legislation now before the House of Commons, do you actually support the mediation-arbitration provisions in the bill? Is mediation likely to be successful? In your opinion, would conciliation be useful? Finally, and the most important question of all: In your opinion, is the imposition of a settlement likely to do long-term harm to the bargaining relationship, particularly in view of the comments I read off that summarized what you said to us today?

**Mr. Fane:** Let me take one question at a time, sir.

I think you are right. Those four points are negative. From the union perspective, the agenda has definitely been the employer's. At any time in the last 6 to 12 months have you heard us talk about cost of living increases? Have you heard us talk about increased responsibility for employees? Have you heard the media talk about better training for employees?

One of the oddest scenarios at CN and VIA Rail is that management has so many different structures and managers have so much power that they can tell a worker, after 20 years of service, "We are getting rid of you and putting you out to pasture," although the worker is only 44 years old. At the same time, that person cannot bump or use his or her seniority to work somewhere else because the manager does not like that person or the manager has complete discretion in making such a decision. Employers say that employees are on employment security forever, but at the same time the employers refuse to train people to do jobs. If employees are trained, the employer refuses to let them move into those jobs because the manager has had a kingdom of his own.

Let me return to your question: Do I think mediation-arbitration can work? I prefer free collective bargaining; but, yes, it can work. How much damage will it do? That will depend on how much you tie the arbitrator's hands. If you tie the arbitrator's hands with clause 12, you do not have a free-thinking, creative third party who can do what he or she thinks is best. That individual is restricted.

This brings me back to my earlier statement: What happened to Mr. Hope and his report? He was chosen by the government as a free commissioner-conciliator, if I can use the term. We have already done that. However, all the work he has done has been ignored. Instead, we have clause 12. Have I answered your questions?

**Senator Oliver:** Will there be a long-term effect on the bargaining relationship if a decision is imposed? Will the bargaining relationship be harmed?

• (1700)

**Mr. Fane:** It depends on the quality of the decision, whether it is fair and equitable, whether it balances what the workers have now with what the company has now.

I am always amazed to hear that the companies are never making enough money. I probably agree with that one in relation to VIA Rail where they are not making any money. However, with CP Rail, this is probably one of the few lovely buildings that they do not own. They make lots of money, and they are continuing to make money.

How will that affect future collective bargaining? That depends on the quality of the settlement using the mediation-arbitration process. That will focus in on the future. If the workers as a whole feel as though they have been hard done by, it will affect productivity and the profitability of the railways for a very long time.

**Senator Lucier:** Thank you, Mr. Fane, for a great presentation. You and Mr. Hargrove have both stated that you did not want a general strike of the three railroads. That is probably a clear position?

**Mr. Fane:** Yes, it is, senator.

**Senator Lucier:** You were to pick one railroad and ensure that freight and people continued to use the others. That sounds like a reasonable strategy.

As you may know, passing back-to-work legislation is not the favourite pastime of parliamentarians. It is like trying to break up a family fight. We end up being scratched up by both sides eventually.

In your opinion, sir, considering the economic impact brought on by the closing of all three railroads, contrary to your wishes, was there any realistic way that back-to-work legislation could have been avoided at this time?

**Mr. Fane:** Our strategy was developed to put economic pressure on CP Rail. You may have seen some of the advertisements we took out. By denying CP Rail their 100 per cent profitability margin, by having customers move to trucking, by having customers move to CN Rail, we knew it was having an impact. We were getting closer to a collective agreement.

As soon as the situation at the other railways went down, the quality of the bargaining diminished immensely. For the bargaining to have been successful, we needed more time. Perhaps we needed more solidarity on the union side to avoid the situation we have now.

**Senator Lucier:** You needed more time, but it was time that you definitely did not have because of the economic impact of the strike.

**Mr. Fane:** Yes.

**Senator Lucier:** I agree you needed more time, but the answer to my question then is that once the strike had started, there was only one direction in which this situation was going, and that was back-to-work legislation. Whether it was done last Monday, tonight, or Sunday, that was the route.

**Mr. Fane:** We have had no bargaining at all since the strike, if I can use the term, or lockout from VIA Rail. We have had no bargaining since then, sir.

**Senator Kinsella:** Senator Oliver alluded to a comment you made in your opening remarks which concerns me, and I should like you to focus in on it. It relates to statements of the Minister of Transport, Mr. Young, to the extent — if I have understood your comment correctly — that he was interfering with the collective bargaining process that was ongoing. Did I understand that correctly?

**Mr. Fane:** You sure did, sir. In our submission to Mr. Hope, we used at least eight or nine statements saying it was impossible to negotiate a collective agreement at VIA Rail.

Mr. Young, on numerous occasions, said that the whole fate of VIA Rail was in the hands of the workers; that they would have to take less or they would have to close down more. He made other statements that workers with a grade 8 or 9 education were not responsible for what their unions had done. He appeared on CBC talk shows.

I would not mind sending you the submission we made to Mr. Hope. We noted at least a dozen times when Mr. Young was making collective bargaining impossible. Every time he made a statement, VIA Rail management came to us, wrapped it up, took the front page of the newspaper and put it on the bargaining table.

**Senator Kinsella:** They would quote back to you inflammatory statements made by the Minister of Transport. Is that what you are telling us?

**Mr. Fane:** Yes, sir. I am afraid that is exactly what I am telling you.

**Senator Kinsella:** Did you complain to the Minister of Labour?

**Mr. Fane:** No, not to the Minister of Labour, to be honest. We certainly sent some communications to the Minister of Labour, at the time who was the Honourable Mr. Axworthy. We did better than that; we complained to Mr. Young. Some of our workers were so angry about the situation that they occupied his office in Bathurst for a day or two.

We then went and had a discussion with him. We asked the president of our union, Buzz Hargrove, to look for some common ground so that it would not sound as though the Minister of Transport was attacking the workers every day.

**Senator Kinsella:** There is a very serious matter here. In the history of the Crown and the representatives of the Crown, whether it be in pure public sector collective bargaining or in industrial sector bargaining which impacts upon the public interest, the Minister of Labour is traditionally very careful and very judicious in his or her comments so as not to interfere with the collective bargaining process.

It is not only discouraging but alarming from a parliamentary standpoint to hear you testify that the Minister of Transport was interfering in the collective bargaining process by making inflammatory statements.

Is there a vehicle available to you, or to the employer, to any parties at the table, to file an unfair labour practice under the Canada Labour Code? Did you consider doing that against the Minister of Transport?

**Mr. Fane:** No, sir, we did not consider it. In order for us to file an unfair labour practice, it would probably have to be against the employer, being VIA Rail, and not against the Government of Canada. Although we did not agree with what the minister was saying and doing, we tried to concentrate on bargaining a collective agreement at VIA Rail.

As a matter of fact, at VIA Rail in particular, at one stage we offered to use a mediation-arbitration process because we were so frustrated with the collective bargaining process where the employer each day would say to us, "You will give us more tomorrow because we have no agreement today."

**Senator Kinsella:** Certainly, discipline of the tongue does not seem to be a virtue that is strong with that particular minister.

I wish to turn your attention to clause 12. You have raised this issue as one of your major concerns. As I read this clause, it provides that the commission must be guided by the need for terms and conditions of employment which are consistent with the economic viability and competitiveness of a coast-to-coast railroad system.

How could those words not also be in the interest of the employees of the rail companies, as well as of interest to the rail companies and of interest to the Canadian public?

**Mr. Fane:** Let me see if I can answer. On economic viability and competitiveness, the workers whom we represent have absolutely no say over capital expenditures, over the number of layers of management, over the competence level of the people running the firm. Under this clause, we will end up before a commissioner, and we will do very much what Mr. Tellier just did. He came in here and — if I heard him properly in the other room — listed all the finances of how the railway is run compared to competitors.

We will do some of that in return. For example, we will start off with the cost in the United States compared to Canada, and is that a good measurement? They only have 250 million people in the United States. We have 27 million here. You get into a statistical argument. They talk about their productivity. When we measure our productivity, we think it is higher. They talk about their cost. They do not tell you, for example, in comparing figures, that they do not have the medicare cost tied in which American employers must pay. We will argue about what workers should deserve in Canada compared to Canadian industry. Mr. Tellier and friends will argue that they should be making as much money as the best or second best railway in the United States. It is a little bit like apples and oranges, to be honest with you.

• (1710)

We want the companies to do well. We like it when CN is making money. I know the management likes it. They received big bonus cheques that were passed out yesterday or the day before. We want the company to make money, just like we want CP Rail to make money.

We do not want to be responsible for their competence or incompetence. We do not want the commissioner using that as a yardstick on how workers that we represent, the 20,000 of them, should be dealt with in the land of collective bargaining and a new collective agreement.

**Senator De Bané:** Mr. Fane, did I understand correctly when you were discussing what potential harm can occur over the years between employees and management that you stated that it all depends on whether the commission is balanced? Is that it?

**Mr. Fane:** Yes, sir. It is based on whether the commissioner is balanced. It is based on how the hands of the commissioner are tied. Right now at CN rail there are 3,500 workers who have had no contract since 1991. There are 1,600 workers who have been dealt a serious psychological blow financially. They suddenly woke up September 1, 1993, and they were not CN employees anymore. There was a new company called AMF Transport set up by CN. All the CN employees were told that they had no collective agreement because AMF is provincial. Our union had to recertify those people who have had no collective agreement for the last year.

Yes, how the arbitrator deals with these people will be very important. I worry about the relationship between the workers and the employer and the relationship between our union and the employer. If you tie the arbitrator's hands and he is limited in scope with respect to what he can do, and he is tied by clause 12 of this bill, these people can be hurt even more.

**Senator De Bané:** You just told me again that some shop craft workers have been without an agreement since 1991. What makes you hope that without binding arbitration you can reach a negotiated settlement, which has been elusive since 1991?

**Mr. Fane:** The shop craft workers have only been in our organization since the vote of the shop craft people. I can live with the binding arbitration, sir. We can live with it. We know the economic impact on the country right now. We believe we can live with it. It is not our first choice.

We are saying that you should let the arbitrator be free to analyse the issues, to analyse the situation, just like Mr. Hope was free. You should not tie the person by clause 12, because it was put in there after a great deal of lobbying by CN, CP and VIA. This particularly tilts the degree of fairness.

**Senator De Bané:** I think that economic viability and competitiveness are laws in economic activity which are as imperative as laws of physics or any other laws of nature. Just look to history. Can you tell me of any human economic activity that has been pursued for a long period of time if there was no economic viability and competitiveness? Do you not think that those two words go without saying?

In my opinion, no government in the world can change the law of physics or economic viability. Clause 12 also contains words to the effect that the process should also take into account the importance of good labour-management relations.

Would you not agree that any decision rendered by that commission must talk about the real world, and the real world deals with economic viability?

**Mr. Fane:** If you are right that economic viability and competitiveness are found everywhere, that is a good reason why you do not need them in clause 12 of this legislation.

**Senator De Bané:** I understand that the Minister of Labour met with you last Saturday and suggested that you design your own binding settlement mechanism. Have you made any efforts to reach such an agreement?

**Mr. Fane:** The minister was kind enough to meet with us on Sunday to give us that opportunity. We have talked and continue to talk to the employers to see if it is possible, particularly on VIA Rail. The employers tell us, "No, absolutely not." They will not come to any terms on a mediation-arbitration approach to solve the issues. They want to be free to do whatever they think is necessary in the economic viability and competitiveness question.

When it comes to VIA, I am not sure what they want to compete with. We have met with them. We have talked to them about it. I would imagine that we will continue to do so and probably have a little more time to see if we can conclude something.

**Senator Stewart:** In your answer to Senator Oliver, Mr. Fane, you implied that part of the problem involves complexity at the management level. You referred to people having their own kingdoms or empires. Were you referring particularly to CN rail, to CP, to VIA, or to all three?

**Mr. Fane:** That problem particularly exists with CN and VIA. Thousands of our workers are shop craft workers. There are also approximately 7,500 non-shop craft workers who may dispatch trains, work in offices, work in accounting systems, work on computers, particularly in CN. The people about whom I am speaking in VIA are customer service people. It is in those places that we find a great deal of bureaucracy.

Even though the collective agreement gives workers limited rights to work at other jobs or in other positions, we come by managers who say, "We have the power to decide that John is not suitable. I do not want to spend any money training him. I like Susie who is already doing the job. I do not care if John ends up on the street. I do not care if he ends up on employment security. He is not my problem."

• (1720)

**Senator Stewart:** Could we put VIA Rail aside for a moment and deal with CP Rail and CN Rail? You are saying that, from the workers' viewpoint, CP Rail is a more satisfactory employer.

**Mr. Fane:** No. I am saying that we represent 4,500 tradespeople at CP Rail. They are all trades people. It is a different group compared to VIA Rail.

**Senator Stewart:** Is there no area where you can make a real contrast?

**Mr. Fane:** No, not on the issue you raise, senator.

**Senator Stewart:** Does your union represent workers in other industries?

**Mr. Fane:** Yes, it does.

**Senator Stewart:** Are you saying that management in the rail industry is more difficult than in automotive plants, for example?

**Mr. Fane:** Let me word it this way, senator: I personally find that with respect to management, CN Rail, with its serious downsizing, has brought in outsiders and non-railway people. They have a mission to do things that I would describe as being difficult to understand or to find agreement with.

**Senator Stewart:** You implied earlier that you had heard Mr. Tellier's testimony. He told the committee that the arrangements made in 1985 with regard to employment security were no longer viable, especially given the emergence of two new factors: one is the competition with trucking, and the second is competition with U.S. railways.

Do you think there is severe competition with regard to the rail operations of one or both companies? If so, would you attribute this severe competition to the trucking industry, to U.S. railroads, or to both?

**Mr. Fane:** I would agree that the level of competition is higher than it has been in the past. We see fewer goods moving from east to west and more from north to south.

I would not agree that our employment security is the problem. Thousands of workers have left the workplace. In our union alone, 3,000 people over the last three years have left the workforce.

There are civilized methods of reducing a workforce. We cannot accept that we should suddenly give up the minimal job security we have enjoyed. CN has 13,000 employees, and it wishes to get rid of 4,000 or 5,000. As well, the company wants us to give back job security.

We recognize the question of competitiveness. We also asked the employer to recognize increases in productivity from the workers. The protection we have in the collective agreement allows the company to continue with technological and organizational changes. However, it cannot accomplish those changes at the cost of throwing people on the streets.

**Senator Stewart:** My next question is prompted by something you said concerning bonus cheques. Did I understand you to say that one, two or three of the companies have made bonus cheque payments recently? If the answer is "yes," tell us which company or companies, and tell us if there have been negative penalties when the companies have not made profits.

**Mr. Fane:** That question is easy to answer. I know of no recent negative penalties at either CN or CP. I know that a day or two ago, CN declared millions of dollars in profit. Hundreds of thousands of dollars were distributed to management to reflect the profits posted by CN.

**Senator Stewart:** Can you be more specific as to the number of thousands and who received them?

**Mr. Fane:** That is a question you should ask them. I know hundreds of thousands of dollars are being distributed to senior management.

**Senator Stewart:** I ask the question because we were told earlier by Mr. Tellier that there will be ups and downs. If that is the normal pattern in this industry, there should be no particular reason for a bonus, unless you intend to balance it out when the companies post a loss.

**Senator Murray:** I should like to say a word about the roles of various people in this matter.

The role of the Minister of Transport is to report to Parliament on behalf of these two Crown corporations, CN and VIA Rail. It is not his job to manage those corporations. It is certainly not his job to conduct collective negotiations for them. Wise Ministers of Transport, in the past, have stayed well clear of that scenario.

It is not the minister's job to be responsible for the Canada Labour Code. He leaves that to his colleague, the Minister of Labour. However, Mr. Young has chosen not to do that. He rushed in like a bull in a china shop and made a bad situation worse.

Given that background, I am not surprised at the attitude of the unions with regard to clause 12. When I picked this bill up this morning, it came off the page and hit me between the eyes. I can understand why the unions would consider what some think to be fairly obvious by way of a guiding principle as almost provocative. That, and the absence of any reference to the Hope report in the legislation, struck me as soon as I read the legislation this morning.

When the minister testifies before us, I hope she takes advantage of the opportunity to say that it is the intention of the government or that as a matter of policy she would want the commissions to take cognizance of the Hope report. I will put that question to her.

Mr. Fane, I appreciate what you have to say about your union's strategy and position. However, the fact is that on Monday morning the minister had to act. The question is this: Given the unpalatable alternatives to you and all of us, is this bill the best way to go? Do you agree with Mr. Tellier that there is no real difference between the process in this bill and the process suggested by Mr. Hope in his report?

**Mr. Fane:** I understand that the minister had to act: I am not living in the dark ages. Our organization understands that. As I said earlier, we can live with it.

We felt Mr. Hope's approach was well-balanced, although it did not have us jumping up and down. It was the first time someone had acknowledged that the labour relations process and the collective bargaining process of mutual respect between the two parties was being interfered with by a third party.

We have a new Minister of Labour. As I said before, she was kind enough to spend time with us. We are not critical of her, nor of the Department of Labour.

We believe that clause 12 tilts the playing field on fairness. If I were an employer, I would be singing and dancing in the streets, because the employers wanted that clause. They threatened us numerous times in collective bargaining with something that looked like clause 12. Now when we attempt to define the importance of good labour-management relations, that will be much more difficult to do when compared to U.S. railway lines.

• (1730)

In attempting to answer your question, senator, we understand that the country is not where our organization wanted it to be. A strike was the last thing we wanted. We understand that the minister must get the country rolling again. We ask for a larger degree of fairness or, if I can use the term, a balance of fairness. We can take out the importance of good labour-management relations by taking out the whole clause that speaks of economic viability, and then the third party will be able to use all their creative skills to find a balance.

**Senator Murray:** Given the current economic situation of the country and the urgency of the situation, my offhand and personal opinion is that amending the bill is a rather difficult process.

**Senator Lynch-Staunton:** They can still do that in the House.

**Senator Murray:** Yes, that is true. As my friend the Leader of the Opposition suggests, perhaps they might do that. They have already amended the bill over there.

I can understand why Mr. Tellier expressed his agreement with clause 12. He considers it important. We all know that there is some restructuring coming. It has been coming for a long time. The country had been expecting it from the previous government and from the present government.

However, as I suggested to Mr. Tellier when he was here, I think we are going too far if we try to solve all of these problems at once. This is a back-to-work bill. Apart from that, perhaps it should be as neutral as it can be on longer-term policy considerations.

When she introduced the bill, Mrs. Robillard, the Minister of Labour, in talking about security of employment, said that agreements concluded recently by Canadian Pacific with three of the unions which represent smaller bargaining units within the company are clear indications that the process can work.

> The three unions, the Transportation Communications International Union, the International Brotherhood of Electrical Workers and the Rail Canada Traffic Controllers, managed to agree with the company on wage increases, conditions relating to job security, and a number of improvements to social benefits.

Do you know anything about that? Is there any chance that those kinds of provisions, whatever they are, would be applicable to the situations that you and other unions are dealing with?

**Mr. Fane:** I know a great deal about that. I do not want to appear to be rude, but all of the companies would be happy to sign that agreement tomorrow with all of the unions. In all of the bargaining during the last 16 months, we have something the employers want to take away from us. We do not want to give it up. How can we survive this round of bargaining by giving up a little bit of it? We have been bargaining on the employers' agenda. We believe the other three unions took it down to the bottom line. We could sign that agreement tomorrow. You would have had no railway dispute if you could have had the union leaders of the CAW, the Brotherhood of Maintenance of Way, or anybody else, sign that type of agreement.

That agreement is, in my opinion, extremely poor. It is like having an insurance plan one day and deciding that you will pass away in the next week so you should sell it off early.

**Senator Murray:** Those unions agreed to it.

**Mr. Fane:** That is fine. We do not have a problem with that. We do not have a problem with union leaders who come from their own organizations and make that type of deal. If it is good for them, that is fine. For example, in the RCTC group, one of the unions, the dispatchers, are paid $65,000 to $80,000 a year.

Our people are paid $35,000 a year. When you tell a dispatcher in the trains that he has to move somewhere, if he does not move, he will not be a dispatcher for the Montreal Bus Commission. The needs of the organizations are different.

The agreement for those three unions might have been good for their people. We will find out if they are ratified. Usually collective agreements are ratified when the leadership signs them. For our organization, it would not be a good deal. It would be a sell-out.

**Senator Murray:** Mr. Leneker, when he was here with Mr. Tellier, was at some pains to explain to us that what the railways were proposing was not simply to take away the ES provisions and replace them with nothing. He outlined to us briefly a proposal that he had made, which I take it you have rejected. Having said what I said about Mr. Young, the last thing I want to do is start negotiating with you on the floor of the Senate. However, there must be some place for agreement between the present provisions and what the management have proposed.

**Mr. Fane:** There is. I think there is. Our union has been extremely creative in putting forward a number of proposals on the bargaining table. The problem with Mr. Leneker is that he has not moved off his position in 18 months. The only difference is that he says he will get it one way or another. We have put forth numerous positions on the bargaining table that are all less than what we have now.

**Senator Murray:** On that issue of employment security?

**Mr. Fane:** Yes, absolutely. We have put things on the bargaining table that are less. Unions do not usually do that. We understand, however, collective bargaining; we understand the mood in the country; we understand the economics of what is going on. I do not want to say we have been bargaining backwards, but we have not been bargaining forwards, if I can use that term.

I hope you got more straight answers from Mr. Leneker than I did, because I have been bargaining with him for 18 months and have not been able to get any.

**Senator Comeau:** You have been moderate, or at least controlled, in your comments regarding Mr. Young. I should note that we have had our crosses to bear in the Senate regarding Mr. Young. We had a valiant effort on the part of the Leader of the Government in the Senate to defend Mr. Young. I must say we should be applauding the leader. She has had her cross to bear, as well.

I found that Mr. Young had shown his cards very early in the game in favour of the rail companies. A more careful minister might have waited a little bit. That leads me to my question: Do you think that Mr. Young is guiding the agenda, or would Mrs. Robillard be guiding it at this point in time?

**Mr. Fane:** I think at this time Mrs. Robillard is definitely in control of the agenda. She was kind enough to meet with us. She has been consulting with us. In our opinion, and in the opinion of the Canadian Auto Workers Union, she has been fair, just and honest. We have absolutely no complaints at all with the way in which she has been operating and dealing. For a new minister, we think she has been doing extremely well.

**Senator Comeau:** I am glad to hear that.

Mr. Tellier conceded that concessions had been made by the workers back when the employment security clause was negotiated, and what was happening now was because his predecessors had made mistakes, the implication being that since they had made mistakes, we, as parliamentarians, should now correct those mistakes.

Do you think it is a good idea for parliamentarians to come in every few years and say, "Oh, well, these previous managers were not too good, so we will correct it this time"? Does that not send some kind of signal to Canadians that we should be looking at management and not the contracts?

• (1740)

**Mr. Fane:** I did not come here to rap management. I am more interested in a free collective bargaining system. Obviously, with a third party the system will not be as free as we would like it to be. I am more interested in trying to put across this point. The power that parliamentarians have right now is to ensure that the process is as well–balanced as it can be. It is not an easy job for anyone at this time.

I do not know if I have answered your question, senator. I do not know if I have an answer for it.

**Senator Comeau:** Given that management is asking parliamentarians to support a process by which we will take away retroactively concessions that have been made in the past to your workers, and that we agree with this process, what kind of impact will that have on the workers in terms of their goodwill toward the companies in the future, as well as their motivation to work for those companies?

**Mr. Fane:** I do not see the situation as being one where the government is trying to balance off the past. What the employer is trying to get the government to do is ensure that the arbitrator rules in their favour before the evidence and the debate starts by securing clause 12. I do not know if that answers the question.

**Senator Comeau:** I may be calling a rose by another name.

**Senator Lynch-Staunton:** If clause 12 is used to give Mr. Leneker what he wants, or close to it — in other words, make employment security provisions unacceptable to the union — and it is imposed through the compulsory arbitration process in the next agreement, what will be the reaction of your union, since this is the main issue and has been for the last long while?

**Mr. Fane:** You talk about it as though it were the main issue, senator. Our union would trade employment security tomorrow. We do not want people sitting at home with no jobs. We want people to work. We have told the employer this more than once. The nonsense set out in *The Globe and Mail* advertisement says that we want people to be paid to sit at home. We do not want that. We would trade in employment security tomorrow if everyone who is there now could continue working there and the normal 6 per cent attrition rate could continue.

You ask what the reaction of our membership would be if we were to lose employment security through an arbitration process. I imagine they will look at the mechanism and the guidelines that have been set out. If the guidelines are fair, which means the removal of clause 12, then the onus is on us to put forward a clear position. In the mediation process, there will be some bargaining. We have absolutely no problem showing a third party how we have not only been moderate but have done so so that we have nothing to fear. If you stack the deck, it becomes much more difficult.

Once the legislation is passed, people will ask our organization, "How do you look at the process? Are we going into a process that is fair or one that is not?"

**Senator Lynch-Staunton:** What is your answer to that?

**Mr. Fane:** My answer to that is obvious. I would like to see some changes to clause 12 we can say that it is as fair as it can be.

**Senator Bryden:** Mr. Fane, I would like to thank you for your attendance. Is this your first time in front of this august body, or have you been here before?

**Mr. Fane:** I have never been here before, sir.

**Senator Bryden:** Welcome to the club. This is my first time doing this, too. You will notice that this chamber of sober second thought is only interested in the truth, is totally nonpartisan and does not try to score any political points.

**Mr. Fane:** Pardon me, sir?

**Senator Bryden:** Mr. Fane, you have indicated that your union has put some economic pressure on CP. Could you tell us what type of pressure that is?

**Mr. Fane:** We felt the best way to get CP to deal with us fairly was if they were not running to full capacity, if they were not maximizing their profit levels. We took out a full-page advertisement in *The Globe and Mail* in which we suggested to shippers that there could be some economic activity that could end up in a dispute with CP Rail. We had put in place a 1-800 number, explaining to shippers that if they needed assistance to move their goods to market we would be more than willing to help them find other reliable service.

We know that some of the major shippers with whom we deal had been calling. We suggested they could ensure their goods get to market by moving them on CN because we had chosen to bargain collectively with CP.

**Senator Bryden:** You said that there seemed to be a remarkable lack of creativity on the part of the employers in this bargaining process. I am trying to understand why. Is it not the case that, historically, the collective bargaining process started from a position where all the rights were basically management's rights? Is it not the case that over the years the unions and the bargaining agents have been able to put a good number of those rights and protections that used to be in the bundle that was management's into collective agreements?

**Mr. Fane:** I agree with that, senator. Anything we have not written in a collective agreement remains the management's right. Thus, the only rights we have are the ones we have negotiated.

**Senator Bryden:** On a global basis, it appears to be a time of downsizing and trying to become more efficient and competitive. Does that make it particularly difficult for you to get management to provide more things to go in the collective agreement?

**Mr. Fane:** Yes, it does.

**Senator Bryden:** Is that the lack of creativity about which you spoke?

**Mr. Fane:** No. The lack of creativity I talk about is illustrated by the fact that the company took a position that they would get rid of employment security 18 months ago. They have not moved off that position at all. As a matter of fact, any time they moved one step forward, the next day they moved two steps back, which brings us to the conclusion that they did not move at all.

**Senator Bryden:** You have been quite flexible in this regard, have you?

**Mr. Fane:** Yes, we have been flexible to the point that the company was singing a song as to how people had a job for life. We contemplated and put forward positions whereby, perhaps, instead of someone having an income for life, they would be guaranteed an income for modest periods of time. For example, a worker who is 50 years old could get five years' bridging to the pension plan when they were 55 years of age.

It is complete rhetoric when you hear that people have a job for life. We do not have anyone sitting at home for life collecting an income. We have offered to trade for giving people work until their proper retirement age.

**Senator Bryden:** A former president of the Canadian Auto Workers Union made a very considerable name for himself in the labour movement by taking a very adamant position. I am speaking of Bob White. He said that as long as he was president, the Canadian Auto Workers Union would not make concessions on anything they had won in previous collective agreements. I am assuming you are saying that the CAW's position has changed in that regard?

• (1750)

**Mr. Fane:** No. The CAW's position has not changed. What has changed is that if we can work a deal, if we can collectively bargain a new negotiation which helps the employer and helps us, it is a wise thing to do. For example, the present employment security forces people to move within large regions. We have said to the employers, if you want to give that up because there are no jobs to move to, we could instead have employment security for four or five years rather than for life. This is not a matter of concessions. We expect to bargain collective agreements that improve life for workers. Yet we also remain flexible enough that if employers can show a serious problem which needs adjustment, we can be open-minded about it.

**Senator Bryden:** These are not concessions in the sense that economic benefits to employees would continue to be at least equal to what they had in their existing collective agreement, are they?

**Mr. Fane:** We measure the whole collective agreement, and there has to be some balance, yes.

**Senator Bryden:** But you mean a balance that is at least equal to what exists currently.

**Mr. Fane:** Let me give you an example, sir. We gave three or four proposals to the employer to use if they want to continue to reduce workers. We gave them three or four suggestions on how to do it modestly so that people were not hurt. One example I told you about was the bridging. Another example I suggested was to have our people take work in outside industries, which would limit the employer's liability. We would not only ask our workers to take work but force them to take work so that CN does not pay them when they are sitting at home.

**Senator Bryden:** How many of your members are currently not working and being paid under these arrangements?

**Mr. Fane:** We have approximately 240 on CP Rail who, as I said earlier, had been given this written agreement in 1991 that if employment security changed, it would not hurt them. They come from the Angus shop closure. With respect to CN, I believe we have about 200, although I am not sure of that number.

When one is on employment security, they are expected to stand by and be available every day to come to work to do any work the employer can find for them. The employer will say 200 people are on employment security, but the reality is that last Wednesday, 95 per cent of them could have been at work and working.

**Senator Bryden:** They could have come to work.

**Mr. Fane:** We have had days where that is exactly what happened. Employment security means it is a different manager's budget and they come in to work.

**Senator Bryden:** On average, of the 240 employees, how many days per year would each one be called into work?

**Mr. Fane:** Probably for the majority, it would be 60 or 70. It depends on work location, but in Montreal it would be 60 per cent or 70 per cent.

**Senator Bryden:** In the event that any given employee in an average position does not come in, what would that person's annual pay be?

**Mr. Fane:** If a person when called said, "I am not coming to work," they would receive absolutely nothing. They would be cut off of employment security.

**Senator Bryden:** My question was about a person who under employment security is not called into work and does not come in during the year. I take it there are some instances where that can happen?

**Mr. Fane:** They are slight but they might equal $25,000 per year.

**Senator Bryden:** Are there benefits that go with that?

**Mr. Fane:** Yes, there are regular benefits.

**Senator Bryden:** Would that be the normal 20 per cent?

**Mr. Fane:** I think the benefit package is 13 per cent.

**Senator Bryden:** Thank you. Is this the package which you referred to as a "Cadillac package" and which you would have to change to a "Ford package"?

**Mr. Fane:** Not a Cadillac, I refrained from using that term, but I am glad you are staying with the vehicles we build. No, I think it was the other way around. We have paid for an insurance plan. The employer now wants to take it away from the workers. That is the way we look at it. We know there will be changes. We know we will probably come out of this a little scarred.

**The Chairman:** Senator Bryden, we have other witnesses waiting. Please proceed quickly.

**Senator Bryden:** I will be as quick as I can.

As you are aware, many unemployed or working poor Canadians make significantly less than $25,000 and do not have this Cadillac provision. What do you say to them when you are closing down the railroads in order to protect this type of situation? And it is not just you, by the way, but the railroads are being closed down.

**Mr. Fane:** I am glad you said it is not just us because absolutely none of our 20,000 workers are on strike. Right now I would not say anything in response to your phrasing, "when we are closing down the railway." We have not closed it down. The CAW has not gone on strike anywhere.

**Senator Bryden:** I have one last question which relates to the concern over clause 12 in the bill dealing with the direction to the arbitrator. Have you had instances before where your union has gone to arbitration, not rights arbitration but interest arbitration?

**Mr. Fane:** Sir, no, I have not, although I used to work with another railway, and I had the pleasure in 1987 of dealing with the Larson Commission, which heard from unions and management. Mr. Larson had free rein to write a report to the best of his abilities from the information that he gathered, and his hands were not tied by a clause 12.

**Senator Bryden:** Has it been your experience, as it has been mine, that without some parameters, one party comes in very high while the other comes in very low, and the arbitrator simply splits the difference and it so becomes a game?

**Mr. Fane:** No, sir, that is not my experience at all. As a matter of fact, I believe in the recent West Mine arbitration in British Columbia, the CAW workers lost terribly in the arbitration process. The arbitrator was not guided by a clause 12. If you want a fair system, you have to set it out as fairly as possible. The best way to do that would be to eliminate clause 12.

**Senator Prud'homme:** I will be brief even though I do not feel we are under pressure for time. If we have other witnesses, they can come tomorrow. The Senate should take the time it needs.

What amendment would you suggest? You do not like clause 12, but you most likely feel there will be a clause 12 of some kind. I am sure that you had expertise at your disposal as

you read that clause. What would you suggest as a draft that would be palatable? Of course, if it is totally acceptable to you, it will probably be totally unacceptable to the other side, and vice versa.

Have you and your group given any consideration to the kind of amendment that you would like to see to clause 12?

• (1800)

**Mr. Fane:** No, I have not spent a lot of time on an amendment to clause 12. I would prefer clause 12 to follow the guidelines set out by the Hope commission. Mr. Hope considered the economic situation of the railways but balanced it by ensuring that if the employment security were so very important to the union, the union should be remunerated in some manner reflecting that importance or the worth of employment security.

**Senator Prud'homme:** I am not sure we should not consider recalling Mr. Tellier. I am in that kind of mood, since we may have the time. Were you a witness at the House of Commons committee last night?

**Mr. Fane:** No.

**Senator Prud'homme:** Were you called?

**Mr. Fane:** No, sir.

**Senator Prud'homme:** Would you have gone if you had been called?

**Mr. Fane:** Absolutely.

**Senator Prud'homme:** It is strange that you were not called last night. Did you make any movement towards —

**Mr. Fane:** I do not know, sir. As I said earlier, that is why I did not show up in my shirt and tie.

**Senator Prud'homme:** Please, feel at ease.

**Mr. Fane:** I received a call at 12:30 to say our president, Mr. Hargrove, could not be here today. I took the two o'clock flight from Toronto. I am certain our organization, if invited, would attend in respect to both the House of Commons and the Senate.

**Senator Prud'homme:** I am glad that the Senate, at least, is taking this time. I am very happy that you appeared in the Senate.

**The Chairman:** Thank you, honourable senators, that concludes the period for questions. On your behalf, I thank Mr. Fane for appearing here this afternoon on such short notice.

**Senator Prud'homme:** While we are waiting for the next witness, can our distinguished house leader give us an update at this time?

**Senator Graham:** If I may, Mr. Chairman, the House of Commons has just finished a series of votes on supply; votes with which the honourable senator would be acquainted from his long experience in the other place. They have gone into private members' hour. As a result, we have nothing new to report with respect to any deliberations which may be taking place in relation to the progress of the legislation.

**Senator Prud'homme:** Do I understand, then, that debate is concluded for today on this bill in the other chamber?

**Senator Graham:** To quote a well-known baseball legend, "It's not over till it's over."

**The Chairman:** Honourable senators, our next witnesses are Mr. Terry W. Ivany, President and Chief Executive Officer of VIA Rail. He is accompanied by Mr. Mike Gushue, Vice-President of Public Affairs.

**Mr. Terry W. Ivany, President and CEO, VIA Rail:** Mr. Chairman, honourable senators, I am delighted to be here to help you, if I can, in your deliberations. The government's decision to legislate the parties back to work means, first, that we can resume our service and start serving our customers again. This is obviously good news for our customers.

As well, I must tell you that I have not really given up on the collective bargaining process.

I would now like to give you the background about what brings me here today. VIA Rail's collective agreements all expired on December 31, 1993. Since then, VIA Rail and its unions have been subject to various stages of conciliation as provided for under the Canada Labour Code. For a number of reasons, we have been unable to conclude a new collective agreement. However, we have made a very determined effort, and I believe we have come very close to signing an agreement with at least one of our major unions.

During this process, we had the report of Mr. Hope. Subsequent to the delivery of that report to the minister, the various unions were in a strike position, and VIA Rail was in a position to either lock out its employees or to promulgate rules, none of which we chose to do then because we felt it would have a detrimental impact on the ongoing negotiations.

As we all know, VIA operates over CP and CN track. When CP operations were curtailed by strike or lockout earlier this month, it had very little effect on VIA because 95 per cent of VIA Rail's operations are on CN tracks.

However, the strike by the BLEUTU meant that VIA Rail had no choice but to shut down its operations. That took place last Saturday, and we had to decide what to do about the rest of our employees at that time, particularly the CAW workers.

We had several options at that time: We could have locked out the employees, or we could have asked them to come to work, although we had no work for them to do. We were still confident that we could make progress on a collective agreement, so we chose the route of laying off the CAW, as opposed to locking them out.

At this point, I would like to acknowledge the successful efforts of VIA's management employees to get passengers to their destinations, especially given the fact we had three hours' notice of the strike from the unions. I can successfully or happily report that we have no passengers stranded at VIA, nor did we on the day the strike began.

This was obviously not an easy feat. VIA's operations stretch from coast to coast, Halifax to Victoria. If I may give you an idea of the nature of VIA's network, VIA serves and operates 421 trains weekly over 14,000 kilometres of track to over 400 communities nation-wide. This network carries more than 3.6 million passengers per year. In 1994, some $508 million were necessary to provide these services of which $176 million came

from passengers in the form of revenues; the rest came from public subsidy. Today, VIA has been asked to reduce its subsidy by $145 million annually, which effectively will be incremental over the next three years.

Many of you may recall that when VIA was asked to meet these challenges, there was a great deal of speculation about the size and restructuring of our routes or, putting it bluntly, route cuts. Quite frankly, I preferred to take quite a different approach to that particular challenge. In turn, I asked all my managers to look at ways of cutting costs within the organization. To date I can report that we have identified at least $40 million a year of costs to come out of the organization. I should also report that 45 per cent of our administrative costs have been reduced this year. We have cut our administrative overload by 45 per cent this year.

• (1810)

We have identified many other areas of cost reduction. However, we are certainly not there. Yet over the next four years, we will have a shortfall of $110 million. The commitment of our employees to cut costs, to aggressively market our services and to increase the level of service to our customers will certainly help us meet this gap. In today's economic environment and with the challenges that VIA has to meet, it is impossible to meet this gap without restructuring and modernizing our collective agreements.

In this respect, as was indicated by Conciliation Commissioner Hope, the situation in which VIA finds itself in the current round of collective bargaining is very different from that of the two other companies. Mr. Hope said to me that VIA is as different from the freight railways as manufacturing is from the trucking companies.

Even after the annual funding reduction of $145 million referred to previously, VIA will still require a federal subsidy of over $200 million annually. As labour constitutes 45 per cent of VIA's cost, we cannot reach our goal without modernizing the collective agreements. In this respect, we believe we can no longer afford to pay employees full salaries for life, whether or not we have work for them, pay our engineers and conductors by the mile rather than by the hour, pay some employees for 40 hours of work when they may work as few as 20 hours, and pay four employees to change a fuel pump when only two are required to do the job. On the other hand, we are determined to pay our employees a fair day's wages for a fair day's work.

I would like to remind you that no one in this process has been asked to take a cut in pay. VIA is committed to being a high-quality, low-cost transportation service. I have confidence in the collective bargaining process. I especially hope the process in the bill will take VIA's distinctive financial and operational realities into account.

Honourable senators, we believe our employees deserve fair and reasonable protection from change. I believe that the best job security we can provide to employees is to work hard to get costs down, to serve our customers well, and to create a strong and viable passenger service for this country.

Honourable senators, those are my opening remarks. We would be very happy to answer any questions you may have.

[ Mr. Ivany ]

**Senator Lynch-Staunton:** I have a few questions regarding VIA so that I can properly understand its position in the major problem we are facing. Does VIA pay the same wage scales for the same jobs as the other two railroads? There is no differentiation?

**Mr. Ivany:** Yes.

**Senator Lynch-Staunton:** Is VIA attempting to break away from the industry wage pattern and claim that given its precarious financial situation, it should pay lesser wages?

**Mr. Ivany:** No. As I said in my opening statement, senator, we are not, in any way, asking employees to receive less money. We believe we are different. I think we are different in many ways. For instance, we are not in the business of transporting grain, cars, concentrate or any of these commodities. We are in the business of moving passengers in a very different marketplace than the other two railways find themselves. We are certainly not asking people to take any less money in this process.

**Senator Lynch-Staunton:** Mr. Hope was quite hard on VIA in his report, at least in the paragraphs I want to quote to you. He says:

> As stated, there is no likelihood of a negotiated settlement between VIA Rail and the Unions, and it seems most unlikely that strike action on the Railway would induce a settlement.

According to Mr. Hope, you and the unions have come to an absolute impasse and you need legislation or arbitration to get things cranked up again.

**Mr. Ivany:** Mr. Hope looked at a particular situation and a particular environment at a particular point in time. We have clauses in our collective agreement today that perhaps the two railway unions would find attractive for their particular circumstances, while we do not find them that attractive for our particular circumstances. There was some caution on the part of the unions not to make a deal at VIA prior to any deal with the other two railways, primarily because such a deal would set a floor that they would not want to set.

**Senator Lynch-Staunton:** Mr. Hope goes on to say:

> Further, VIA made it clear in the Commission proceedings that it had no interest in any subsequent process for resolving disputes with its Unions. It is reasonable to predict that, as soon as it is free to do so, VIA will unilaterally impose some or all of the changes in the expired collective agreements that it has pursued unsuccessfully collective bargaining.

**Mr. Ivany:** Our focus was on the process in place at that particular time. Commissioner Hope was probably right in understanding our position in terms of focusing on the collective bargaining process.

You must bear in mind that we were negotiating at that time. I was not in any way preoccupied with a subsequent process. My focus was on the existing process, which was to reach a collective agreement with our unions.

**Senator Lynch-Staunton:** Mr. Hope points out that VIA is better off financially on strike than it is operating and, therefore, the Government of Canada would be financially in a less liable position if a strike at VIA continues indefinitely. That is a rather crude way of looking at the issue, but this is an important report. He says:

> VIA Rail is in the unique position of having nothing to lose by taking that initiative. The strike, as stated, would improve its financial condition by limiting the operational losses it incurs. Conversely, if Parliament were to intervene and order an interest arbitration or other third party process, VIA would be in a position to seek government support...

My point is this: How much government involvement is there in VIA's negotiations? Is the Minister of Transport, for one, influencing you in your negotiations with the unions?

**Mr. Ivany:** You are absolutely correct in pointing out that Mr. Hope said we could save $1 million a day, or whatever the number was. That is a crude way to put it.

Quite frankly, senator, my ambition here and my great desire is to be operating our trains today, not sitting and saving this so-called $1 million a day. If we were saving that amount, it is a one-time saving, and that is not what we are interested in. I am much more interested in operating our trains and serving our customers.

We are unusual in that we receive a subsidy. When we strike, we reduce our subsidy. However, in the long term, I am not sure that will be the case because we will lose customers. It will be difficult to get them back. Therefore, given this interruption in our service, I think there will be revenue shortfalls in the future. There is no benefit to be gained by the railway being down. We want to operate, get back into business do the things we are good at doing. We are in control of our own destiny on the collective bargaining process.

• (1820)

**Senator Lynch-Staunton:** How much of your current problem is inherited as a result of the creation of VIA, and how much is of your own making? Mr. Tellier said today that employment security was a bad decision by management — in hindsight, of course. In the case of VIA Rail, was that a conscious decision taken by VIA, or did it inherit that situation when VIA was created?

**Mr. Ivany:** We all inherited certain things.

**Senator Lynch-Staunton:** I understand VIA is a merger of employees of both major rail lines.

**Mr. Ivany:** Most of our employees came from CN, and most of the collective agreements we have today are a migration as well. I think that was a different time, a different environment, and a different set of circumstances. I am sure everyone at the time thought that was a good deal. My concern is that these particular agreements are not really in sync with the environment that we find ourselves in today.

**Senator Kinsella:** In how many collective agreements is VIA Rail involved with the unions?

**Mr. Ivany:** We have a collective agreement process now with CAW, which looks after our shop craft people, and also our on-board train people and our off-train people. We have the TCU and the BLE and the UTU, which is the locomotive engineers and the conductors.

**Senator Kinsella:** Is that eight collective agreements?

**Mr. Ivany:** And BMWE.

**Senator Kinsella:** How many collective agreements are there?

**Mr. Ivany:** That would be eight.

**Senator Kinsella:** How close are you to settling any one of those eight?

**Mr. Ivany:** I think we came very close to some kind of deal with the TCU, the BLE and the UTU.

**Senator Kinsella:** There are two collective agreements you could probably conclude. Are you continuing to negotiate on the two on which you are very close? Are you maintaining relations with the negotiators?

**Mr. Ivany:** Yes. We have indicated to the CAW verbally that we are ready, any place, at any time. Today we officially sent notification letters and invited them back to the bargaining table. We have not given up that process.

**Senator Kinsella:** That is good. If this legislation is passed, do you think you can finish those, notwithstanding the legislation?

**Mr. Ivany:** I have predicted the outcome of these negotiations for the past 18 months, and I have been wrong just about every time.

**Senator Bryden:** Mr. Ivany, I appreciate what you are saying. I wish to restrict this to simply asking for some information. You indicated that you are trying to gain efficiencies in not just the salaries for life, which the previous witness indicated may be a misnomer, but also in getting the efficiencies to pay by the hour instead of miles for your running operators, and to pay 20 hours if, in fact, the work takes 20 hours instead of the 40 that is required in the collective agreement.

Finally, the one you mentioned was that if a pump can be changed by two employees, it should not be necessary for four to be paid, simply because the agreement calls for that.

Is it not the case that this is the same type of issue faced by many major industries that have historical collective bargaining processes, from the pulp and paper industry to the refining process, and so on?

**Mr. Ivany:** I would suggest that maybe the last two would be such, that is, the maintenance of ways and the craft flexibility. The other one, which is a very major issue with VIA, is this method of pay for locomotive engineers and conductors.

Many years ago, when the railways started, they had steam engines. From my boyhood in Newfoundland, I can remember the steam engine rolling through. It was called a "Newfie bullet."

It used to take a very long time to go across the island because a steam engine certainly did not go very fast. It was thought to be appropriate that they would pay people by the mile at that time. Steam engines would get maybe 10 to 15 miles per hour on a good day, going downhill.

However, today our trains travel at 100 miles an hour. There is a possibility today for a locomotive engineer to earn as much as $75,000 to $85,000 and work as little as 20 hours per week. We do not want to take any money away from that particular person, but we would like to increase the number of hours that that person would work. That is the method of pay situation. The other two, as I said, are very common today, such as maintenance of ways and the craft flexibility.

**Senator Bryden:** You referenced the Newfie bullet. I recall the days when steam engines used to go through a town close to my home town, and there used to be a fireman on the locomotives. Is it not the case that there used to be a term that went with trying to get rid of firemen that was called the feather-bedding of the railroad unions? Is the pay for life a different kind of feather-bedding?

**Mr. Ivany:** I am not familiar with the term "feather-bedding." With respect to employment security, our particular company is somewhat different from the two other railways. You qualify for employment security after you have received four years of cumulative service. If you start out with our company when you are very young, I guess the day that you reach the fourth anniversary you should pop the champagne, because you have won the lottery. If you are paid for life, that would equate to about $1.3 or $1.4 million you had just received.

We have made quite a few suggestions on that particular aspect of our collective agreements. I am new to the railway industry, but I found it very interesting, coming into a unionized environment, that employment security is not applied on a seniority basis, which is really the basis under which unions operate. What actually happens is that it is the younger person who goes home on employment security and the older folks who stay and have to work. That is how it works in our particular company.

**Senator Bryden:** What is the reason for that?

**Mr. Ivany:** I have tried to figure that out, and I cannot. I have talked to many of our employees about that. If you talk to the younger people, they think it is okay. If you are talking to the more senior people in our company, they do not think too much of it.

The other area is the shop craft people. The people who work in our major centres require eight years of cumulative service to qualify for employment security.

**Senator Oliver:** My question is an extension of the questions which were put to you by Senator Kinsella. I should like to tie your response to him to specific clauses of the bill that is before the House of Commons.

• (1830)

Those clauses specify that the matters referred to the mediation-arbitration commission would be matters that, at the time of the commission's establishment, remain in dispute. What is your opinion as to the likelihood of coming to an agreement on these matters — that is, the currently unresolved issues — before the commission can be established? Is there any hope?

**Mr. Ivany:** Senator, I came here today reconciled to the fact that there is no hope that reasonable people can agree on a solution to a problem that we all identify. Our unions have told us that they recognize that VIA has some very different challenges as compared with the other two railways.

The environment in which we tried to make a particular settlement was not conducive. I am hoping that our friends in the union will now see that they can make a collective bargain with our organization and get on with doing the things that we want to do, which is to serve our customers well, develop a high-quality, low-cost operation of which we can all be proud. Hopefully, we can be in operation for many years to come and provide lots of employment for our people and for Canadians. I never give up. We will keep trying to come to some terms on this until we have something, whether it is through this process or some other.

**Senator Oliver:** Are you in agreement with the form of arbitration-mediation commission that is set forth in the bill? If not, have you tried to effect any changes or amendments in the House of Commons or its committee?

**Mr. Ivany:** First, we believe in the collective bargaining process. I would be less than candid if I told you that we are happy with what is happening. We are not. We do not like being out of operation; we like to operate. We want to make a collective agreement with our unions by agreeing amongst ourselves. If everything else fails, this particular process is the best that one can come up with.

**Senator Comeau:** I am not as familiar with VIA Rail's employment security provisions as I am with the other ones. Therefore, I may be off base on my approach to this question. My understanding is that in the past certain bargaining units conceded pay raises, or portions of pay raises, in order to achieve employment security as protection against technological and operational changes in the future. In other words, they paid premiums for this insurance. I understand that the rail companies are now saying, "You have paid this premium for all these years, but we are not prepared to honour the proceeds of the insurance."

Mr. Tellier seemed not at all concerned that they were prepared to dishonour the insurance policy for which these people had been paying. In your role as president of VIA Rail, are you comfortable with history recording that you did not honour this kind of commitment made by your predecessors?

**Mr. Ivany:** You talked about the fact that at one point in time this employment security measure was negotiated. Obviously, it was done in good faith because everyone agreed to it. The other interesting thing about negotiations and contracts — and I have been in a couple — is that on occasion both the company and the unions like to place a termination date on the contract. It could be a two-year contract or a three-year contract. One of the reasons I have always wanted that — and I think it is probably the same with the unions — is that they want to renegotiate and renegotiate because things have changed. The environment has changed. Prices have gone up. Prices have gone down.

In this particular case, people are saying that we are dishonouring the contract because we want to change something through the collective bargaining process. That is what it is all about. That is why we have termination dates on contracts.

With respect to whether we have honoured our commitments, I can assure you that we have honoured employment security. We can provide you with numbers in the millions of dollars which, over the past years, we have paid. We are honouring it today.

I take exception, senator, when it is said that if I change this agreement today, then I am dishonouring the process. I do not think so.

**Senator Comeau:** I suppose I might have used Mr. Tellier's example. He indicated to us that he was not prepared to even grandfather the provisions under which these people had been paying over the past eight or nine years. What you are suggesting to me is that for those people who have been paying the premiums up to now you are prepared to honour this insurance contract, but that what you want is a new contract for the future, which is something quite different from what Mr. Tellier stated.

**Mr. Ivany:** I am not saying that. I am saying that in a collective bargaining process there are termination dates on contracts. When you agree on a new contract, that is when it applies.

About this collective bargaining process, I have heard people talk about new entrants. They call them "new babies." They say that no new babies are to be involved in employment security. I am not saying that I am prepared to do any grandfathering. I am saying that in the new collective agreements that we reach, these are the new rules that apply. They apply to everyone.

**Senator Comeau:** You are simply prepared to tell those people who have paid the premiums over the years, "Too bad. You made a mistake some years ago. Your bargaining unit made some mistakes some years ago. You paid those premiums over the years, but too bad."

**Mr. Ivany:** I am not familiar with the so-called premiums people have paid. There was a point in time when a collective agreement was negotiated. All the parties agreed to it. The contents of that particular collective agreement have been honoured by the companies. They have been participated in by the employees up to this point in time. We are now in a different environment. Some of the measures that we have in the collective agreements in force today are not in sync with today's reality. I believe that if a settlement can be negotiated, then these are the rules that will apply. I assume that if it is negotiated, then it is agreed to by all the parties. Everyone will accept it.

**Senator Andreychuk:** You said that you are committed to the collective bargaining process. Do you think that clause 12 and this back-to-work legislation process will help you in long-term collective bargaining with the unions with which you deal?

**Mr. Ivany:** If clause 12 helps VIA to survive, then obviously I believe it will help our employees. It will help the environment in which we will operate in the future.

**Senator Andreychuk:** That is the whole point. Do you believe that clause 12 will help you survive?

**Mr. Ivany:** I think clause 12 is recognition of the environment in which we find ourselves today. Without it, our survival is in jeopardy.

**Senator Andreychuk:** Why do you believe that a commission would not of its own accord take into account all the aspects that are contained in clause 12? What makes clause 12 so unique and so valuable to you?

**Mr. Ivany:** In our particular case, we have a shortfall of $110 million. That has to be taken into consideration by someone. We have done a considerable amount ourselves to reduce our costs. It has not affected the salary of anyone in our organization. It has not affected employment security, method of pay or the maintenance of wages. We have done this on our own. We have cut administrative and management costs by 45 per cent. We have found other efficiencies in the organization. What we are now saying is that we still need more help. We believe that modernizing our collective agreements to reflect today's environment will help us to achieve that particular deficiency in our funding.

**Senator Andreychuk:** Are you saying that since the inception of VIA Rail management has not looked at the economic viability of their company when approaching the bargaining tables?

• (1840)

**Mr. Ivany:** I have absolutely no interest in reflecting on the quality of management, or lack thereof, in the past. I am concerned about today's environment. Today's environment is a very competitive environment. In VIA's particular case, we have a considerable financial challenge ahead of us to fit the financial envelope that has been applied to us if we are to survive.

As I started to say, one of the easy ways to do that is to cut the network. Of course that affects hundreds of people, hundreds of employees, and hundreds of passengers and communities across the country. We chose to approach it in a different way. We believe in a fair day's pay for a fair day's work. There is nothing wrong with that. It is not complicated. It is very straightforward.

In terms of efficiencies, we have been able to gain through things we have taken upon ourselves with respect to processes and bureaucracy, and cutting waste wherever we can. We have made some progress. That $40 million adds up to $160 million over the next four years. We are still short $110 million. We must find that somewhere, or we have to make some very serious decisions about our structure.

**Senator Andreychuk:** Prior to this legislation being drafted, had you had discussions with the government on similar needs for these kinds of guidelines?

**Mr. Ivany:** I would have to be absolutely candid with you that our desire and all of our energy has been focused on the collective bargaining process. Whenever we talked to anyone, and I think we have talked to some people in this chamber, we made it clear that our "druthers" were to continue the collective bargaining process. As I answered one senator before on a question about whether I was interested in some other process, our focus is on collective bargaining. That is where we stay.

**Senator Andreychuk:** Am I to interpret from that answer that there have never been any discussions between yourselves as managers of VIA Rail and government officials that should an impasse come, you needed the protections that you believe clause 12 gives you?

**Mr. Ivany:** I never discussed clause 12 with anyone.

**Senator Andreychuk:** Did you discuss a similar concept?

**Mr. Ivany:** I am saying that if it came to this kind of process which Mr. Hope has suggested, which is basically what it is, we thought that we would like to be treated separately and apart from the other two railways. We believe we are distinct and different from the other railways in our makeup, in terms of our funding and in terms of the kinds of things that we must do for the Canadian public. Certainly we have discussed that.

**Senator Andreychuk:** Would you be able to give me an objective standard of the issues in clause 12? How would you define your viability coast-to-coast, short term and long term? Do you have some sort of markers that a commissioner would be able to use, other than the bottom line, as you put it?

**Mr. Ivany:** I find it very difficult to answer your question. In terms of passenger service, I do not think any passenger service in the world pays its own way, with one or two exceptions. Canada is a very large country. The government has decided, up to this point in time, that it wants a national passenger service. In order to provide that, because of the demographics, distances and population involved, it is necessary to subsidize it to a certain degree.

In our organization, we have been trying very hard to reduce waste and cost wherever we can find it, and we have had a high degree of success up to this point in time. We are not finished yet. As part of that process, we think we should modernize our collective agreements. If you want a description of viability, it will be up to anyone who wants to interrupt it what viability means to VIA. In terms of what we are striving for, it is to fit within the financial envelope that has been given to us by the government. That is our viability.

**Senator Prud'homme:** If we were to strike out clause 12, does the bill then become useless for you?

**Mr. Ivany:** We did not ask for clause 12.

**Senator Prud'homme:** I did not imply that.

**Mr. Ivany:** If we have to have this kind of process, I think clause 12 is obviously very important to us.

**The Chairman:** On behalf of the committee, I thank you both, Mr. Ivany and Mr. Gushue, for appearing and answering our questions this afternoon.

Our next witnesses are Mr. George Hucker, Vice-president and National Legislative Representative of the International Brotherhood of Locomotive Engineers. With him is Mr. Tim Secord. Please proceed.

**Mr. Tim Secord, Legislative Director, United Transportation Union:** Members of the Senate, first and foremost I thank you for having the wisdom and the fortitude to allow us to come here and speak today on this issue. Hopefully, through our presentation we will be able to answer your questions, or at least most of them. I believe the Senate has been provided a copy of our written submission, and I will read from that text, if I may.

We welcome the opportunity to appear before the Senate to present our views on some of the important issues which we believe have resulted in a strike by railway workers in Canada, and to present our position with respect to amendments that are required to the back-to-work legislation, Bill C-77, the Maintenance of Railway Operations Bill, 1995.

This submission is on behalf of the approximately 15,000 members of the Canadian Council of Railway Operating Unions, the two components of which are the United Transportation Union and the Brotherhood of Locomotive Engineers. We represent highly trained and skilled men and women across Canada and the United States — conductors, locomotive engineers and the train and yard service employees who operate the freight and passenger trains.

• (1850)

Of course we would have preferred to have appeared before the Senate or another government body under different conditions to discuss other pressing issues in the railway industry and not the current labour dispute. The rail strike is a manifestation of these other pressing issues. While we recognize the focus of the moment is the rail strike, these other considerations must be addressed.

In our submission we have been as brief as possible in presenting a background to the rail negotiations, a description of the perception of interference by Transport Minister Young, the railway agenda and their demands and last, but not least, our concerns with the proposed legislation.

Railway negotiations, as many of you know, have a long history and are most often extremely complicated. The two component unions of the CCROU have been about involved in railway negotiations and representation of railway and bus employees on all railways in Canada and the United States for over 100 years. The collective agreements in effect for running trades employees are extensive and have been carefully constructed over this period of time through the traditional exchange and accommodation of collective bargaining. Indeed, some of the conditions of employment contained in the collective agreements were obtained through a similar binding arbitration process to the one you are considering in the proposed legislation that will be before you.

Our pay systems in the industry have evolved over a 75-year period in this give-and-take bargaining process. Above all, these systems of pay, and any tinkering therewith, is a most sensitive issue as the focus of these many years of negotiations and gains made for accommodations for the railways has been directed to building on these provisions. In other words, many of the unions' gains made over the years are in the pay systems "basket," and

now the railways want the basket. If that were not difficult enough to address, the railways are using the federal government to do their bidding through the auspices of Transport Minister Young. We will comment later in our submission on this matter.

Nevertheless, provided there is a degree of fairness and logic, our organizations and our members have always accepted and dealt with change in the rail industry. We will continue to do so. Since the 1950s, for example, we have negotiated a reduction in the size of a crew on a freight train from five to two employees. Our bargaining unit was reduced by over 10,000 members in Canada. It is obvious from our record that we do not resist change without serious justification.

Over that same period, the length of freight trains has increased to the point where many are over one-mile long. This, in combination with the handling of increasing levels of dangerous commodities, and higher train speeds, has increased the responsibility of locomotive engineers, conductors and train and yard service employees.

In our last round of negotiations, the railways were provided the ability to operate crews with just a conductor and a locomotive engineer. This represents huge continuing productivity gains for the railways, saving the wages of at least one and sometimes two employees on every freight train. This was done in exchange for an increase in pay rates and a degree of lay-off protection. At CN Rail the lay-off protection is referred to as "furlough boards" and at CP Rail it is in the form of a "sub-benefit" plan. The pattern for these agreements came from the U.S. collective agreements and their crew consist reductions.

In passenger rail service, we dealt with many changes, including crew size reductions, even before VIA Rail was created by the federal government in 1978. Since VIA Rail, we have addressed through negotiations many other changes, including major service reductions by the federal government and further crew size reductions. All these changes have provided tremendous productivity improvements to that railway.

Our concern is that at both CN and VIA Rail these gains are being wasted by an inept and excessive management structure, all of which is supported by the federal government. The real freight and passenger transportation problems will never be addressed so long as the federal government fails to address the disease rather than the symptom of that disease.

This is clearly not the time or place for negotiations or submissions on the contentious issues in the rail negotiations. Therefore, we have confined our remarks to a broad overview, which will be evidence of the monumental and, perhaps, impossible task facing the parties in this round of discussions.

At the VIA Rail bargaining table there are two monumental issues still not resolved. Each by itself is considered by the most novice labour relations practitioners as next to impossible to gain membership ratification or support. The two railway demands are to change the pay systems for locomotive engineers, conductors and assistant conductors from a mileage/hourly rated system to a purely hourly rated system. For the bargaining unit of the United Transportation Union, there will be a further crew consist reduction from two to one employee on every passenger train. For your information, this latter demand, if implemented, will leave the conductor alone to handle the safety of the train and passengers.

The men and women who operate the rail passenger service in Canada are highly trained, dedicated employees who operate under extremely demanding and stressful conditions. Passenger trains in the corridor operate at 100 miles per hour over numerous public crossings and through numerous train order speed restrictions and other work directives. A single error, as you all know, can result in serious damage to the public and fellow employees. Few, if any, technological safety advances have been implemented in rail passenger service in Canada.

The impact of this first pay system demand is to reduce two bargaining units by a minimum of 25 per cent. We previously referred to the complications and sensitivity of the pay system issue. Even if membership acceptance could be gained for the implementation of this demand, the effect of this one change will modify to a greater or lesser degree almost every provision of the existing collective agreement in force.

This has been the focus of the unions during our long history of collective bargaining and is the very foundation of our members' agreements. The dual system of pay, arbitraries, initial and final terminal time and other pay increments have been built and relied upon over years of collective bargaining.

For your information, the current mileage/hourly system of pay restricts, for safety considerations, the amount of work that can be performed by a passenger train crew to 4,800 and 6,450 miles per month respectively for the locomotive engineer, conductor and assistant conductor. This is similar in many ways to the hours on duty restrictions in effect for airline pilots. This aforementioned demand, in combination with the railway demand to reduce the size of the train crew from two to one employee, reduces the bargaining unit of the United Transportation Union by almost 75 per cent.

In respect to the issue of crew consist reductions, aside from the serious safety considerations with respect to on-board emergencies and, of course, the safety of the passengers, the second issue has the effect of reducing the bargaining unit of the UTU by a further 45 per cent to 50 per cent, moving from two employees on a passenger train to just a conductor. The recent fire on a passenger train outside Toronto is a clear indication of the need for train employees.

With respect to CP Rail and CN Rail issues, without getting into any great detail regarding these negotiations, we can confirm that the demands have almost equal implications on our membership at the freight railways. It should be noted that the railways are reporting profits we predicted, and these profits will increase. The railways are making profits in spite of recent unusual and huge capital outlays, such as the purchase of locomotives. CP Rail doubled its order for high horsepower locomotives from General Electric for a total outlay of $200 million. In addition to that is the construction of the Sarnia Tunnel and the writedown of the employee buyouts as a result of 10,000 unionized employees being laid off.

• (1900)

In regard to the negotiations, just one of the railway demands, if successful, will reduce employee earnings by approximately 25 per cent. That demand is to have the freight train crew work the first and the last one hour and 30 minutes without compensation. Other demands are to double the length of the crew runs, "run throughs," across Canada with a significant reduction in employment and the elimination of the right of fatigued employees to take rest, and the requirement to remain on duty 12 hours instead of 10.

The gains made by way of tradeoffs in the previous crew consist reductions are also on the table, with the railways seeking to eliminate job protections and force long-service employees, on short notice, to locations across the country. An employee with layoff protection in the province of Quebec could be forced to take employment in Vancouver. This will, of course, reduce costs and most likely force employees who now have job protect benefits to resign rather than suffer the cultural shock of the move. There are, of course, many other concessionary demands on the table which the parties have not been able, or have not been given the opportunity, at CP Rail, to reasonably address.

With respect to government interference, one single controversial issue has daunted the negotiators at all the bargaining tables and deserves comment, for we believe that this has been the one single, prevailing factor that has prevented any of the parties from reaching a settlement. You are likely aware that, throughout the discussions, Transport Minister Young has interfered with the bargaining process by way of inflammatory comments to the news media and to any group that would listen. It appeared that each time we were at an important juncture of the sensitive negotiations, including the conciliation process, Mr. Young would make provocative statements which, quite frankly, appeared to us to be an attempt to scuttle our negotiators' ability to reach an agreement. His comments soured the tone of several of our bargaining sessions and ensured that the membership's attitudes were completely negative and resistant to change.

For example, at the beginning of one critical bargaining session with VIA Rail at Toronto, the union's negotiating committee was greeted with the headline in *The Toronto Star*, "Employees work 5 hours for 3 days pay." At the time of a meeting of the WESTAC Group in Winnipeg, he made another uncalled-for comment suggesting that the contracts could be blamed on the educational levels of the union negotiators. These comments resulted in the union officers present there from WESTAC walking out of that meeting.

Even during the Hope Conciliation Commission process, we were greeted by a headline in the Montreal *Gazette* of Friday, January 13, 1995, at Section D, page 8, which read: "Minister critical of VIA's lifetime jobs." His comments prior to this session are irresponsible. You might be interested to know that the Hope Commission report acknowledged that there was, in fact, interference in the negotiations, and that this likely had an impact on the outcome.

Now that railway workers are on strike and the impact of the issues and his interference has crystallized, the officers of the labour unions are left to struggle with a deep animosity toward the Liberal government which Mr. Young's interference created. That resentment will no doubt be directed to the federal government in other ways, perhaps as early the Parti Québécois sovereignty referendum vote.

The issues at the bargaining table are driven by other considerations which must, in our view, be addressed as a public policy measure. First, we believe that notwithstanding the result of the negotiations, there should be a full-scale industrial relations inquiry into the rail transportation industry. This, in our view, should encompass all aspects of the industry and not just labour relations.

The railways' problems with respect to improving profits encompass much more than concessions at the bargaining table. In our view, this is simply a smoke screen for poor management. Many things must be done to improve profits. Restructuring to reduce the excess trackage is clearly one major consideration. In this regard, we have recently been working with the railways in order to assist in this problem and, at the same time, save as many jobs as possible. The negotiation of the Northern Quebec Internal Shortline, with vastly changed working conditions, is one example.

Recent investments and marketing of CN North America and CP Rail bring the Canadian railways into the same traffic densities of U.S. Class I carriers and ultimately the same economies of scale. This will, of course, improve the profit picture, but the downside is possibly a loss of jobs to Canadians. Nevertheless, the expansion into the denser markets of the U.S. and the improving and sustained growth in the Canadian economy and traffic that is now being experienced will quickly eliminate the rationale for many of the issues at the bargaining table.

In our view, labour relations at VIA and CN Rail have deteriorated, and this will result in more serious problems in the future. This should be addressed immediately. Fueling this situation is, of course, poor management, the bargaining atmosphere and the continuing perception that there is excessive management at both CN and VIA Rail, either on staff or contract, and that profits are reduced as a result. We believe this is more than a perception and that this aspect should be investigated and addressed by the government.

Bill C-77, on the surface, appears to call for our return to work at all railways and sets up a mediation/arbitration process and binding arbitration. Our concerns and modifications sought in the proposed legislation are explained below.

As originally feared, VIA Rail may not be included. The clause of the bill which deals with CN Rail, clause 24, stipulates that it shall:

> ...come into force on expiration of the twelfth hour after the time at which this Act is assented to.

In contrast, the comparable clause of the bill which deals with VIA Rail Canada Incorporated and CP Rail reads as follows:

> This Part and Schedule...shall come into force on a day and at an hour to be fixed by order of the Governor in Council.

The reference is to clauses 46 and 68 of the bill.

It is my understanding that two amendments have gone through the committee of the House of Commons which address our concerns in that regard.

To be clear, no part of the bill with respect to VIA Rail or CP Rail applies unless, and until, the government decides to implement the law. The previous experience of the shop craft unions was a delay of approximately five months prior to the implementation of the legislation, hence our concern with regard to those two previous clauses.

In addition to changing the above provisions of the bill, we are also working to exclude the "Guiding Principle" of the bill in clauses 12, 34 and 56 which reads as follows:

> Each Commission shall be guided by the need for terms and conditions of employment that are consistent with the economic viability and competitiveness of a coast-to-coast rail system in both the short and the long term, taking into account the importance of good labour-management relations.

These terms of reference are not typical of instructions to an arbitrator/commissioner, nor are they at all required. Arbitrators/commissioners, as a matter of course, consider and decide economic issues placed before them, and clearly do not need direction to do so. Putting a spotlight on this issue in the legislation is seen as yet another effort by the government to influence the decision of an arbitrator/commissioner against the employees.

Other concerns to improve the fairness of the process include the provision for union input into the selection of the chairperson, and requiring the commission to report back to Parliament before the imposition of the binding arbitration process.

We had the opportunity to listen to the previous witnesses and would like to comment on their evidence and answer any questions which may emanate from that.

Our latest experience with commissioners was in 1987. At that time, although the legislation conferred the authority upon the commissioner to look at every aspect, especially the financial accounts of the railways, the arbitrator had extreme difficulty getting both CN and CP Rail to open their books. We are obviously concerned that that could happen again.

I know that you want to ask us questions about clause 12. Our first choice with regard to that clause is to remove it in its entirety. Our second choice would be to remove clause 12 and replace it with clause 8(2)(*b*) of Bill C-74, the West Coast Ports Operations back-to-work legislation, which allowed the arbitrator the freedom to study all the issues rather than having his hands tied by the wording of the current clause 12.

Someone asked earlier about long-term solutions. The long-term solution which we envision is the assurance that the process provided for in Part I of the Labour Code is fulfilled with respect to collective bargaining without interference from the government or any of its ministers prior to the conclusion of that process.

The Canada Labour Code was amended two years ago. That amendment provided for final offer presentation when requested. In other words, the employer had the right to request that its final offer be submitted to the union's members for ratification.

• (1910)

Although it is not perfect, the Canada Labour Code has worked well since its inception with respect to collective bargaining. At this point in time, we do not necessarily have major concerns with that code. You must remember that the language contained in the code is not at fault with respect to this ongoing strike. What is at fault is the interference of the Minister of Transport and the employer's reliance on the legislative process this week.

That is the end of our submission. If you have any questions, we will do our best to answer them.

**Senator Lynch-Staunton:** This may come as a shock to you, Mr. Hucker and Mr. Secord, but you have a lot in common with certain senators in this chamber. We too have been victims of the Minister of Tranport's inflammatory statements over the last year. We know exactly how disruptive that approach to serious matters can be. I am glad to see we are in good company. I hope you feel the same way, and I hope your resolution is successful. I do not know what will happen in our situation.

With respect to the mileage system of pay, the representative of VIA Rail mentioned the case of an engineer who can earn up to $75,000 a year for only 20 hours of work a week. Is that a fair indication of how lucrative the old system of pay has become?

**Mr. George Hucker, V.P., National Legislative Representative, International Brotherhood of Locomotive Engineers:** The system of pay can be lucrative. However, to give you specifics on the issue Mr. Ivany raised is really difficult without considering a number of factors. For example, the run, the time of day and a myriad of other factors could impact the gross wage of a locomotive engineer and conductor. Yes, the system is lucrative. However, we have attempted to make changes to that system of pay and have been unsuccessful in having the employer look at changes.

During the 1986 round of negotiations, we asked the employer to come forward if it thought there was a better way of paying us. All it would take was a telephone call. I was chief negotiator for my union at that time. I am still waiting for the telephone call.

Problems negotiating a different pay structure have evolved over some 75 years. The current system has worked very well. If it had not worked well, my friend Rob Ritchie would be in this chamber bleeding all over the place about the need for change. That has not happened.

With respect to your question about a lucrative pay system based on the factors I have mentioned, I could not give you a "yes" or "no" answer.

**Senator Lynch-Staunton:** We do not have time to get into particular details. I gather from what we heard this afternoon that there is a complete impasse between the employer and the employees. The Hope Commission report pretty well says that in the same terms.

**Mr. Hucker:** You are absolutely right. I served notice on the employer in October of 1993. My view was perhaps simplistic in thinking that we could negotiate. However, once we met with the Minister of Transport, we knew we would end up in this place. There was no way we could get any of the employers to believe that the end result would be a collective bargaining agreement. That is unfortunate. Every once in a while we get into rooms, bang each other on the sides of our heads, and end up asking someone to solve our problems for us. However, the majority of our history has been quite the contrary. In my 28-year career as a train conductor and locomotive engineer, I have been on strike three times. We do not have a long history of intransigence on either side of the table. We have looked at the problems in our industry and negotiated proper collective agreements. Having said that, it is awfully difficult when one of the interested parties ties both of your hands and then says, "Now we negotiate." It is not possible to negotiate in such an atmosphere.

**Senator Lynch-Staunton:** In your 28 years, you have seen a lot back-to-work legislation affect your industry. Would you say that this legislation favours the employer in a more obvious fashion?

I want to ensure that my thoughts are clearly expressed. I am not assuming that previous back-to-work legislation favoured one party or the other. We have been hearing, however, that clause 12 throws a real spanner into the works. It limits what the arbitrator can look at. Has that type of liability for the unions appeared in similar back-to-work legislation?

**Mr. Secord:** This is the first time we have ever seen such lopsided legislation in favour of the employer. Let me remind you that we have never seen it lopsided in favour of the union.

Someone mentioned the essential service concept.

**Senator Lynch-Staunton:** Yes.

**Mr. Secord:** If CN were declared an essential service, would the government drop all of its plans to privatize the railway?

**Senator Lynch-Staunton:** That question would have to be addressed to the government side.

I had that question as my last item for this first round. Would you at least look at the possibility of implementing an essential services policy in Canada so that at least basic services in essential industries in the private and public sectors can be provided during a strike? Instead of running six trains between Montreal and Toronto every day, you only run one. Then at least you have a minimum service. Unless the whole system of negotiation changes or attitudes — and sometimes personalities — change, we will be revisiting these back-to-work legislation sessions over and over again. We have had three in the last 13 months.

**Mr. Secord:** If the Minister of Transport and Paul Tellier had not stuck their noses into the collective bargaining process, we would not be here today. We would not be on strike. If VIA Rail had not been set up in 1978 to fail right from the start with 40 year-old equipment and wheelage rates charged by CN and CP, we would not have a problem at VIA Rail today. In fact, we would have many more trains in service.

With respect to your question, I certainly think that is an avenue for discussion. You asked whether we should look at an essential services concept. Again, if we are to have an essential service, perhaps we can have a trade-off. We will consider what you are asking if the government is prepared to talk to us about their plans for CN Rail.

**Senator Lynch-Staunton:** We cannot get into that today.

**Senator Kinsella:** Do you recognize that in your industry there is a major public interest component?

• (1920)

**Mr. Hucker:** Yes, we do. We are the travelling public also. We are affected as well. I left Montreal yesterday. They are backlogging trains in the Port of Vancouver, not moving them, even though the CP operating crews that Tim and I represent, are still working. If that is the impact upon the travelling public, how do we get around it? We are prepared to look at some way of getting around it. Having said that, we must know where you are coming from in regards to essential services for the travelling public.

**Senator Kinsella:** Therefore, you recognize the duty that is placed upon us as parliamentarians to assist the public interest issue as is proposed by the government, and to scrutinize it. However, I too am astonished by the imprudence manifested by the Minister of Transport who has interfered, according to your testimony, with the collective bargaining process. He ought not to have interfered. He should be censured for having interfered. He should interfere as far as transportation policy is concerned and the public's right to have the public interest interpreted and protected. However, his interference has placed this issue under a whole different light.

You have our sympathy and understanding, and hopefully the Minister of Transport will learn from this experience to have greater custody of his tongue.

Clause 12 provides:

> Each Commission shall be guided by the need for terms and conditions of employment that are consistent with...

What if that was to read "Each Commission shall be guided by the need for terms and conditions of employment that may or may not be consistent with the economic viability and competitiveness"? What is harmful in having the commissions take into consideration, as a guiding principle, the economic viability and competitiveness? If you do not like that, you say what is the contradictory apposite of that, or at least what is the contrary apposite of that?

The contrary apposite of it would be that the commission would be guided by the need for terms and conditions of employment that may or may not be consistent with the economic viability and competitiveness. That would be, in my judgment, foolish. Therefore, if the contrary and the contradictory are foolish, then the apposite would be not foolish. Do you think there is any logic in what I seek, or are we all confused now?

**Mr. Secord:** I am glad you cleared that up for us. With respect to the verbiage that is used in the clause, we have never seen that verbiage before. If you used the term "may" or "may not," again, I think it is semantics, senator. I think it does not change the context of the verbiage.

If you look at that paragraph, after the comma where it says:

> ...and the long term, taking into account the importance of good labour-management relations.

> ...that is a real nice motherhood statement, but it means absolutely nothing in the context in which it is written.

Had that clause been changed to state, "...terms and conditions of employment taking into account the importance of good labour management relations," then talked about economic viability, it changes the whole context of what is there, because now the first priority is they must look at labour management issues before viability issues.

The word "viability" should be thrown out. It should state "economic justifiability." "Viability" is a completely different term than "justifiability." If they want to make an economic argument before the commissioner, then they should justify it. The arbitrator will take that into account because the economic side will be part of the employer's argument.

**Senator Kinsella:** On the matter of the model of arbitration that is provided for in Bill C-77, you made reference to final offer arbitration. Do you think that in your circumstances that would be a better approach?

**Mr. Secord:** I made reference to final offer presentation as it is referred to in Part I.

**Senator Kinsella:** What if the arbitration method was final offer arbitration?

**Mr. Secord:** That would be great for the company. Then they would never have to negotiate because they would always be able to rely on the arbitrator.

**Mr. Hucker:** Our long-term history has been collective bargaining with the employers. Our lucrative agreement is indicative of the fact that we have been very successful with them. We have also taken into consideration their economic viability at the bargaining table because they do put before us at the table what their status is in regard to their economic condition.

A great deal has been said about the fact that they are in competition with trucks and the U.S. carriers. In 1980 the Staggers Act changed railroading in the United States. Unfortunately the government in this country has not seen fit to do exactly the same thing in Canada, so the railways are no longer looked at as a utility and cannot pass their costs onto their customers.

However, when we come back to the bargaining table, Paul Tellier, Rob Ritchie and Terry Ivany will be saying that you must make the economic conditions part of the your collective agreement so there is a better bottom line.

Rob Ritchie this year was buying another 200 locomotives. I am not a tax expert, but I am sure it is double the length of time to write those locomotives off in this country than it is south of the border. That gives the American roads an advantage over us. The fuel tax paid on a litre of fuel oil is substantially higher in this country, and that gives the American carrier an advantage over us. The status of the dollar is also an advantage for the United States. It is not just the fact the employees have good contracts and are being paid sums that are commensurate with their skill and the types of jobs they have. There is a whole myriad of other issues that must be taken into consideration before we look at our industry.

Our industry is in trouble. We acknowledge that fact. However, it should not be resurrected on the backs of the employees. It certainly should not be done at the behest of the Minister of Transport who is supposed to look after our industry, not to interfere in our industry.

**Senator Keon:** You raised the issue of safety in your brief. Also, you were not very complimentary to your management in your brief.

• (1930)

It has been suggested at times that the Canadian railroad industry has not really kept up with technological change. You are suggesting that this, coupled with the reduction in manpower, is a potential for serious risk to the public and employees alike. Could you expand on that a little?

**Mr. Secord:** Look back a few short months to the incident at Brighton, Ontario. It was mentioned in the brief. Had there not been the number of crew members who were on that passenger train at the time, it would have been a lot more serious, and we may have ended up with some fatalities or other injuries that we certainly did not want to have happen in the first place. If you take that crew and cut it in half, what happens if that one crew member is the first victim? Who is left to open the doors? Who is left to get the people off the train?

**Senator Keon:** Do you think that the Canadian track system, switch systems and safety systems are as technologically advanced as European systems, for example?

**Mr. Secord:** I could not comment on that, senator, because I am not knowledgeable about the European systems. I will say to you that the best safety system that we have on the railway are those employees who are trained.

**Senator Stewart:** The statement attributed to the Minister of Transport about employees who work five hours for three days' pay inevitably attracts attention.

**Mr. Hucker:** If you want my term, you can have it.

**Senator Stewart:** I want your rebuttal to that. Do you think that he is talking about engineers here? That would be my guess. Am I wrong? Do you think I am right?

**Mr. Hucker:** We are both engineers.

**Senator Stewart:** That is what I figured.

**Mr. Hucker:** Yes, he is talking about us, senator.

**Senator Stewart:** Tell us what the real situation is. I do not know what the extremes might be, but let us say you are the engineer on a train from Montreal to Toronto. How long would that run take? It would be done by one engineer, is that right?

**Mr. Hucker:** It would be done by two engineers.

**Senator Stewart:** Where would you break the run? Would there be two engineers at one time, or would one engineer take the train to Kingston, perhaps, and then another take it from there?

**Mr. Secord:** There would be two engineers on the engine, and they normally share the shift. One will run halfway, and the other will change off with him. In addition to that, there is a tail-end crew as well.

**Senator Stewart:** Let us stay with the engineers. You say that one engineer would really be responsible for half that run?

**Mr. Hucker:** Senator, one engineer would operate the locomotive for half the run, but both are equally responsible for the safe operation.

**Senator Stewart:** They are both there throughout the entire run?

**Mr. Hucker:** Yes, sir.

**Senator Stewart:** How long would that run take?

**Mr. Secord:** Approximately four and one-half hours.

**Senator Stewart:** Let us say that run is done on a Monday. When would either or both of those engineers be liable to be called for work again?

**Mr. Secord:** Instead of dealing with the hypothetical, I can speak to the Toronto-Montreal run. Those engineers work nine round trips a month. They are restricted to this mileage limitation I mentioned on page 6 of 4,800 miles. When they reach the earnings of the equivalent of 4,800 miles, they must take the time off. That is it.

**Senator Stewart:** That is 4,800 miles a month?

**Mr. Secord:** Yes. If you are looking at 333 miles between Toronto and Montreal, times two for a round trip, multiply that by the number of trips you would have to make — and they are working roughly nine trips one month, eight trips the following month. That is 18 days they work this month, and 14 days next month. They work their 16 days in the month, and they go home and sit for the other 14 or 15 days that are left in the month. They do not get a pay cheque for those 14 days. Their earnings for those 14 days have already been paid to them when they worked the 16 days, or eight trips.

For the minister to say they get five days' pay for three hours worth of work, or three days' pay for five hours work, whatever he said there, he has a certain way with words, there is no doubt. That was somewhat misleading, because he was really saying that those three days' pay for five hours work represented perhaps six days in the month. If the engineer made $500, that $500 was for three or four days. It represented that time period, not just the five hours.

**Senator Stewart:** It was not just the time he was actually running?

**Mr. Secord:** That is right.

**Senator Stewart:** That is helpful. I wish to ask you about something else. At page 10 of your statement, you refer to the railway problems with respect to improving profits. In your next sentence, you say:

> In our view this is simply a smoke screen for poor management.

Let us put VIA Rail aside. Let us concentrate on CN Rail and CP Rail. Are you talking chiefly about CP here, or are you talking chiefly about CN, or are you talking about both equally?

**Mr. Secord:** We are talking about both equally. I would certainly be prepared to speak to CN, and I am sure Mr. Hucker would love to speak to CP.

**Senator Stewart:** I think it might be useful, in view of the fact that the proposed legislation refers to viability. What do you think is wrong? The comparison is interesting, because here we have one of the major private enterprises in Canada, CP Rail, and on the other hand one of the major nationalized enterprises in Canada, CN. You are telling us that both have severe management problems. Would you briefly indicate where we ought to look if we were trying to diagnose the management problems?

**Mr. Secord:** If you owned the CNR and I said to you, "I can save you $240 million over the course of the next two years," what would you say?

**Senator Stewart:** I would say, "Tell me more."

**Mr. Secord:** CN told us, "No." They just walked away from us. They did not want to talk to us.

**Senator Stewart:** All right. What specifically would you have indicated as the ways to make that major saving?

**Mr. Secord:** We had proposed a training package that would have reduced their accident, health and compensation costs over the course of two years. It would have reduced their expenses in accident-related costs by 60 per cent over two years. At the time, the figures that CN was giving us for their actual accident-related costs for 1992 were $450 million. Over the course of two years, it would have been around $240 million we would have saved them.

**Senator Stewart:** Is that your major example?

**Mr. Secord:** That is just one example. There are many. If you ask me, 200 million bucks is a lot of change.

**Senator Stewart:** Are you saying they are just not very bright?

**Mr. Secord:** Yes. You said that, but I will certainly underline it. I agree with you wholeheartedly.

• (1940)

**Senator Stewart:** But there might be other explanations.

**Mr. Hucker:** I can give you an example of that, senator. Two years ago in negotiations, one of the major issues on the table was a thing call "dead-head." When you fly, you have probably noticed that there are pilots or other crew flying on the aircraft as passengers. That is called dead-heading. We do the same thing on the railways.

We had some problems in Medicine Hat, Lethbridge and Golden, British Columbia. I said to them, "I will fix your problem. All you have to do is give me a date to be in Montreal." That was in 1991. Since then, I have this new job as vice-president. It is now 1995. I am still waiting for the phone call. That is what we are talking about.

The number of taxis that are used in Western Canada to dead-head crews around is incredible. We have crews that are called at two or three o'clock in the morning. They are dead-headed to an away-from-home terminal. They will sit for 10 hours at that terminal, because that is when they go back on pay. They then turn around and take those same three crews and dead-head them back to their home terminal. At one time that would have involved six men; it is less than that now. That is mismanagement of a resource.

**Senator Stewart:** I do not want to traverse the same ground we have just covered. There must be some explanation for the unwillingness to see the efficiency of what you are proposing.

Let us put aside the question of whether they are bright or not. Is it, perhaps, because they lack experience in this business? Is it because the bureaucratic structure is so thick that the people who make the decisions are too far from the front line? Or are they just tired of hearing from you?

**Mr. Secord:** With respect to CN, I heard Paul Tellier mention in this chamber earlier that when he came on stream with CN, he got rid of five senior officers. There is no question about that. The moment he did that, all those junior line officers ran scared for fear that the axe would fall on them. No one, but no one, at CN Rail would make a decision for fear the axe would fall on them.

As you have mentioned, the bureaucracy in that company is too thick. The layers between the persons who make the decisions and the persons who have to fulfil them are too thick.

As far as cutting CN management jobs, it has been our experience that the way they reduce the management structure is to take the name off one door and put it on another. They get rid of one person's job, give him a new title and move him down the hall. That is how they reduce management at CN Rail. What has been reduced?

**Mr. Hucker:** As far as CP is concerned, I would never suggest to you that Rob Ritchie, who is a long-time employee of CP — the same as I was before I got my union job — knows the industry inside out. He is an extremely intelligent and capable manager of the company. As I said to the senator from the opposite side earlier in my comments, part of the problem is how this industry is structured out of this house. I am sure Mr. Ritchie will bring along some people who can talk to you about those points.

**Senator Stewart:** I should like to move to another matter which has come up twice before. It is the whole question of competition, particularly with trucking and U.S. rail companies.

You made reference to this point earlier. You implied that there are differences. You mentioned the cost of fuel in the United States. I did not really follow you. Would you traverse that ground again? There are a couple of questions on which I would like to have answers. I will ask them when I am sure of the ground.

**Mr. Hucker:** Ontario Hydro buys coal for power production. It can buy coal from Montana a lot cheaper than it can buy it out of Canada. Never mind the length of transportation, because it is almost equal. A number of years ago I saw some figures pertaining to the sales tax on a litre of diesel fuel oil in Montana and Minnesota. It was something in the order of two cents per litre. The average in this country was something in the order of 17 cents per litre.

If you can buy the same product in the United States for less than you can in Canada, leaving aside for the moment that labour costs are equal, where will you go to buy it? If I tell you that your product will be cheaper because I am factoring in less of a fixed cost, where will you go? You will go to the United States to pick up the product.

I am sure that Mr. Ritchie can tell you far more about this than I can, senator. Some 75 per cent of the traffic that hits the West Coast of North America that is bound for Toronto and Montreal comes through Tacoma, Washington, and Long Beach, California. Why? By water, Tacoma is eight hours farther away than is Vancouver when coming in by way of the Strait of Juan de Fuca. That is one of the problems.

I do not know all the economic details, but that is what we are up against.

**Senator Stewart:** Are saying that there are other factors which make transportation on U.S. lines less expensive and that the railway companies are expecting their employees to make them competitive with these lower cost railways?

**Mr. Hucker:** Yes.

**Senator Bryden:** Mr. Hucker and Mr. Secord, I should like to thank you for your brief. It was useful to have a written document from which to work. I enjoyed listening to your explanations. Indeed, you may have raised the level of rhetoric in this chamber to some extent.

Can you tell me where the head office of your umbrella group is?

**Mr. Hucker:** My head office is in Cleveland, Ohio. However, I work about five blocks away from here on the corner of Metcalfe and Laurier. I am National Legislative Representative of the International Brotherhood of Locomotive Engineers. I am headquartered in Canada. What we do in Canada stays right here.

**Mr. Secord:** With respect to the Canadian Council of Railway Operating Unions, our joint office is in Telesat Court in Gloucester.

**Senator Bryden:** Is that where the umbrella group is located?

**Mr. Secord:** That is correct.

**Senator Bryden:** On page 3 of your brief, you indicate that in the last round of negotiations you allowed the railway companies to operate with just one conductor and one locomotive engineer, saving at least one and sometimes two employees on every train. How long were those employees superfluous to the operation of the trains before you allowed this?

**Mr. Secord:** We will leave the locomotive engineer out, because he is still there. The conductor was always there. There used to be two brakemen at one time. About 10 years ago, we signed a reduced freight crew agreement, which reduced the number of brakemen to one. In the last round of negotiations, we negotiated a conductor-only operation.

**Senator Bryden:** What changed to allow you to operate with just one?

**Mr. Secord:** We were put into that position because of some technological advances put forward by the railway. We knew that we had to try to negotiate a settlement because of what we saw coming in the railway industry, which was cabooseless trains. In the United States, that is the way the railways had gone. They were moving toward conductor-only operations with an end-of-train unit or tail-end device.

We thought it would be better if we got in there and negotiated the adverse conditions which we believed would affect us before they actually affected us. We were successful in doing that. In so doing, that is where our wage scales or our monetary gain came from. However, we did lose a position in order to achieve that gain.

• (1950)

**Senator Bryden:** This would not have been the final denouement of the tradition of feather-bedding which was around for years in the rail industry.

**Mr. Secord:** We are at the point, senator, where we have only one person left. There is not much more we can give. We need the engineer to operate the locomotive and we need the conductor to perform the manual labour and to separate and service the customers. We have bottomed out. I do not know if there is anything left for us to give.

**Senator Bryden:** There are no feathers left. Is that what you are saying?

**Mr. Hucker:** I do not believe there was featherbedding. We do not have employment security, which has been a real focus of this round of negotiations regarding the non-operating people. It is kind of hard to hear the term "feather-bedding." When I started out, there were five men on a crew. Now we are down to two. We had the foresight to listen to the railway and to see what was coming in the future, so we negotiated agreements to ensure these people were properly protected. As far as feather-bedding is concerned, that term is foreign to our side of the industry.

**Senator Bryden:** I understand that. Could you tell me the average annual wage for a locomotive engineer?

**Mr. Hucker:** I would suggest it is in the range of $60,000 to $65,000 per year. It may be higher depending on the run and on other circumstances. There are people who make in excess of that; a yard engineer would make less than that.

**Senator Bryden:** What would be the maximum salary, $80,000?

**Mr. Hucker:** I believe so. We always like to tell the companies they pay us on the consequence of error. When something goes wrong, they pay us not to make mistakes, even though we do. We are all human. That is what I like to tell them across the bargaining table, that they are paying me for the consequence of error.

**Senator Bryden:** I appreciate that. On page 6 of your brief, you indicate that in order to earn $65,000 to $80,000, the locomotive engineer travels a minimum of 800 miles per month and a maximum number of 4,800 miles.

**Mr. Hucker:** Senator, that is a passenger train crew. I do not want to get into this because there are not enough hours left in this week to be able to explain our dual system of pay. However, a freight engineer or freight conductor works 3,800 miles per month. The calculation is slightly different. That means after I work a day, I am off one and a half days. In effect I work as many as 12 trips per month.

**Senator Bryden:** What is the average pay of the person who does 4,800 miles per month?

**Mr. Hucker:** I would suggest it is in the same range. It is probably at the high end of the range.

**Senator Bryden:** One page before those numbers, on another point you indicated that these trains travel at 100 miles per hour. Even with my rudimentary mathematics, that looks like he gets paid one-twelfth of $80,000 for working 48 hours per month. Is that correct? That is a good rate.

**Mr. Secord:** If you were looking at that sentence and you said you made $100 for 100 miles, it would be like making $100 an hour. It does look pretty good now. You have to understand, senator, that is deceptive because we are spreading those wages over the month. As I said before, you are not working the entire month. You are only working 14 to 16 days. For the other 14 or 16 days, you are not getting paid.

**Senator Bryden:** He still makes $80,000 per year and if you divide that by 12, it is a pretty good monthly wage for working 48 hours if the train goes 100 miles an hour.

**Mr. Secord:** It is not 48 hours, senator, because, as you know, the railways are a continuous operation. They are exempt from some of the provisions of Part III of the Code regarding hours of work. These people are available around the clock. Prior to two years ago, some of them worked around the clock in order to make those funds. The opportunity for that type of earning potential is there, but that does not mean to say that everyone makes that kind of money. I want to make it clear that we do not make as much as the engineers. We make about $45,000 as conductors.

**Mr. Hucker:** If I may make one point, when I was working as a locomotive engineer, my round trip was about 24 hours. I worked west out of Thunder Bay on high-speed freight trains. My round trip was 24 hours which meant I left home, arrived at the away-from-home terminal and, by the time I got back again, a full 24 hours had gone. I had to be available for those 24 hours.

I could make ten trips a month. If you work eight-hour days in a factory — or as a page in this building — working 20 days per month, at the end of the shift you go home every night. At the end of my shift, I am still 150 or 200 miles away from my home, but I have to be ready to go to work. Then in some cases I work as much as a 33-day month if you calculate the 16 hours that I am away from home. I am working a lot longer to make that kind of money.

Sure, it is great that we can do the math that way. You used the figure of 100 miles per hour. I suggest that if I could let you operate a VIA Rail train at 100 miles an hour, you would soon realize that $75,000 or $80,000 is not enough to watch the idiots who run across the track in front of you.

**Senator Bryden:** It would be worth more than that to have the people on the train if I was in the seat.

**Mr. Hucker:** Right.

**Senator Bryden:** Just to continue, you indicate a concern on page 7 about the safety of going from 10 hours to 12 hours before rest. It is my understanding that the 12-hour period does not violate any safety standards, either in Canada or in the U.S. in this system. Is that correct?

**Mr. Secord:** Senator, I am glad you brought that up because, in the United States, under the U.S. Hours of Service Act, which has been in effect since 1907 and was changed in 1937, the 12-hour limit is a legislated requirement. That is the limit that any employee can work in the U.S. That does mean they could not have negotiated something less that would have given them some relief from having to work 12 hours.

In Canada, we do not have an hours of service act. We did have the opportunity to have in our collective agreements a provision that after 10 hours on duty, we would be entitled, if we so desired and if we were that tired, to book rest and be relieved from duty. That is clearly a safety issue. Some senators may be aware that Transport Canada has a standing order or directive currently in force against the railways, presumably to be settled this June, which says that under no circumstances can any employee in covered service, which means working on trains or on the road, work more than 12 hours per shift, similar to the U.S.

The employers in their demands are relying on that order. They are hoping that will be legislated by the regulator so they can rely on it to get rid of the 10-hour provision in our collective agreement. We are not prepared to give away our negotiated rights just because there is a legislated right.

We must remember that the legislated right is the limit of the issue. It is the floor. It is not the ceiling. The ceiling is anything above that. The 12 hours is at the bottom. If we can negotiate something better, as we have, then we intend to keep it.

**Senator Bryden:** Absolutely, but if for whatever reason you end up having a 12-hour limit, you would not be violating any legislated standards.

**Mr. Secord:** None that are currently in force.

**The Chairman:** There is a 10-minute rule for questioning. The Chair has been very lenient. I will put you down for a second round.

**Senator Kinsella:** Mr. Chairman, we do have another witness who has been waiting some time. We should act out of courtesy to him.

**Senator Stewart:** On a point of order, if I may; over the years, one of the great virtues of Senate committees is that those who come before the committee are given a full opportunity to be heard. Senators are also given a full opportunity to exhaust their questions.

• (2000)

This is an important situation for the witnesses, for the companies, and for the economy. If Senator Bryden is on a run of questions, it is beneficial to the Senate that he should be allowed to complete that list of questions.

**The Chairman:** I will answer to the committee. My responsibility as chairman is to keep it flowing, and there are other questioners on the list. We do have one last witness who has been waiting for literally hours.

**Senator Stewart:** The country has been waiting for a week.

**The Chairman:** The Chair should not argue. What is the wish of the committee?

Senator Bryden, you have the floor.

**Senator Bryden:** Thank you, Mr. Chairman. I can control the length of my questions; I cannot control the length of the answers.

**Mr. Hucker:** Many union officers are like politicians: They can talk for hours and say nothing. I sympathize with you.

**The Chairman:** Order, please. We have been at this since three o'clock. I think the questions and answers should be short and to the point.

**Senator Bryden:** How long were each of you involved in negotiating contracts at the national level for the government?

**Mr. Secord:** Yes. The Chair wanted a short answer. I do not negotiate contracts, senator; I deal strictly with legislation. However, Mr. Hucker has negotiated contracts.

**Mr. Hucker:** For eight years, I have been the chief negotiator for my union.

**Senator Bryden:** I ask the question because of something Mr. Secord said. Believe me, I do not mean to defend the Minister of Transport. From long experience, he is capable of looking after himself. Mr. Secord said that if it were not for the intervention of the Minister of Transport and Mr. Tellier of CN, we would not be here and there would not be a strike. It is my understanding that there has been a strike in 15 out of the last

15 years. What was the intervention that caused the previous 15 strikes?

**Mr. Secord:** We have not had 15 strikes in the railway. From what I can remember, I have only been involved in two. In fact, over the course of the last 15 years, we have only had one. I have been employed for 20 years and only been involved in one, and this is the second.

**Mr. Hucker:** My union signed its first agreement with CP Rail on February 1, 1886, and up to 1987 we were on strike once.

**Senator Bryden:** On page 9, in the last line under the heading "Government Interference," you say:

> That resentment will no doubt be directed to the Federal Government in other ways, perhaps as early as the Parti Québécois Sovereignty referendum vote.

Does this mean that your union has taken a position?

**Mr. Secord:** No. We just wanted to get your attention, senator.

**Senator Bryden:** On the bottom of page 10, you speak of wanting to improve labour relations.

> Fueling this is of course poor management, the bargaining atmosphere and the continuing perception there is excessive management at both CN and VIA Rail ...

Does the leadership of the labour movement, in your opinion, bear any responsibility for this impasse, or is it all attributable to poor management?

**Mr. Hucker:** I would suggest that, as Conciliator Hope said, we are as guilty as management and government in this area. We have had our problems, just as the government has had their problems, the same as CP and CN and VIA have had their problems. We are not saying that poor management has been the sole issue. We have had some internal problems to deal with.

**Senator Comeau:** You gave some very dramatic examples of how the Minister of Transport has not been helpful in this whole situation. It leaves me to wonder why you did not choose to ask for his resignation. Is it because you want to see him self-destruct?

**Mr. Hucker:** Mr. Secord, you can answer that.

**Mr. Secord:** I think the senator already answered it. It would have done no good. We have to work with the minister's office, and we have to work with the departments for which he is responsible. We would rather work together with people to get a resolution than throw another log on the fire. We were hoping that perhaps the caucus could have controlled the minister.

**Senator Lynch-Staunton:** So were we.

**Mr. Hucker:** I can give you an example of my problems with the Minister of Transport and his department. Under their auspices, the railway industry, through the locomotive engineers and the three major carriers, are conducting a study in regards to sleep-related problems in our industry. It has not been all bad from his officials on down. Again, it is awfully hard to negotiate when someone is out there throwing these little darts at you every once in a while. Sometimes they are huge darts, not little darts. We put forward in the brief a summary of the problems we have had with his conduct.



**Senator Comeau:** An old sailor might comment, "Loose cannon on the deck?"

**Mr. Hucker:** You said that, senator; I did not. We probably represent as many MBAs as Mr. Ritchie has working in his company.

**Senator Comeau:** They are not all great.

**Mr. Hucker:** I left university too, like anybody else.

**The Chairman:** Thank you, Senator Comeau. This completes the list for this round. I thank both Mr. Hucker and Mr. Secord for taking the time to appear before the Senate in a very cooperative way.

**Mr. Hucker:** Thank you very much. I wish we had an opportunity at the other place to do exactly the same thing.

**The Chairman:** Honourable senators, our fifth and last witness will be Mr. Rob P. Ritchie. Welcome to the Senate, Mr. Ritchie. Would you please introduce your colleague?

**Mr. Rob P. Ritchie, President and Chief Executive Officer, CP:** This is Mr. David Flicker, our Vice-President of Government Affairs.

**The Chairman:** You may proceed with a statement at this time.

**Mr. Ritchie:** Thank you. I am the last witness, so I will not repeat much of the evidence that has been presented. I am here at your invitation to answer your questions and to provide you with some information about how CP Rail views Bill C-77.

• (2010)

Improving labour productivity is one of the four key issues that must be resolved to ensure Canadian railway viability. The other issues are improved service and operations, significant restructuring of the railway lines — particularly in Eastern Canada — and the elimination of regulatory and taxation inequities.

Railway expenses have been reduced. This reduction has not been matched by the decline since 1988 in railway freight rates. Since that time, in rail terms, railway freight rates have been reduced by approximately 40 per cent.

Financial viability was measured by CP Rail in terms of capital and related factors, such as the operating ratio of cash flow. These have deteriorated significantly since the passage of that bill in 1987. This has led to a steep reduction in the rate of return on capital employed by our company, to the point where the railway is having difficulty renewing its capital assets.

Canadian railway labour productivity in 1992, as a percentage of productivity in the United States, was approximately 55 per cent. Based on the May 1994 exchange rates, Canadian labour costs — based on an RTM basis, which is our work load measure — was about 25 to 30 per cent and higher than our competition in the United States.

We also need to compare labour productivity to other modes in Canada. In 1993 Canadian railway workers earned approximately 53 per cent more than employees in the trucking industry in this country, trucking being our main competitor.

Railway labour weekly earnings increased by approximately 66 per cent between 1983 and 1993. This is more than practically any other industry in Canada. This compares with rate increases for the same time period of 27 per cent for the trucking sector, 57 per cent in the marine sector, and 34 per cent in air transportation.

Therefore, yes, in the current round of railway contract negotiations we have been focusing on reducing labour costs. We have also been focusing on making the work rules more flexible, eliminating artificial barriers amongst the crafts, and on making income security for life, without having to work being a last resort rather than an option of choice.

We continue to believe that a negotiated settlement would have been preferable to all parties, but this simply was not possible. Legislated measures are a process of last resort if the parties cannot negotiate a settlement or significant economic disruption results. We have given negotiation our best shot. We have been on strike now for almost 16 days. We have come to accept that the process proposed by the government is the only way left to achieve a settlement.

The economy has been disrupted. The 2,000 people at CP Rail who are out in the field keeping trains running are beginning to feel the strain. We are amenable to the mediation-arbitration process as set out in the legislation.

**Senator Lynch-Staunton:** I want to thank you particularly for your patience or for not showing your impatience at having to wait around for so long before appearing before us.

I can assure you that while this day will probably have no impact on the legislation itself, it will have an impact on all parliamentarians when they read the record regarding the complex issues at stake here. I believe we are receiving a better understanding of the issues, even though we are hearing contradicting and conflicting views from the parties.

Certainly those of us who have been following since the beginning will leave with a better understanding of what is essential, and hopefully some day we will be able to avoid these unpleasant requirements of having to pass back-to-work legislation.

I have heard VIA Rail and CN particularly saying that they now regret having given employment security. Those were better times and happier times and maybe lax times. The carriers are coming to Parliament to have us undo agreements that were entered into voluntarily between the employer and employee. Is that a fair assessment of the impact of this law?

**Mr. Ritchie:** You are prejudging what the results of the mediation-arbitration will be. We do not prejudge it at all. We are seeking to modify employment security. That is why we have been working through a strike for the last 16 days.

We believe that the negotiated settlement that we have with approximately 3,000 of our unionized employees was a good settlement for us. We believe it will be a good settlement for them. We also believe that we were very close to a negotiated settlement with the Brotherhood of Maintenance and Way Workers and also with the running trades. However, that situation deteriorated as of last Thursday night. I am not sure what happened. That led to the strike lock-out at Canadian National and VIA Rail which led to the formation of Bill C-77 and me being here this evening.

**Senator Lynch-Staunton:** Clause 12 in the bill gives the arbitrator the requirement to assess the economic viability of the systems. Since all of them now are pleading poverty if certain agreements remain in force, this is certainly a bias in favour of the employers to remove some of the advantages that employees have now, particularly employment security, which seems to be the one provision that the employers are constantly adamant about.

**Mr. Ritchie:** I am in no position to prejudge the mediator-arbitrator. There is a mediation process in the bill that I think is important. We should not lose sight of that. It still gives an opportunity to arrive at a negotiated settlement.

There are three aspects of that famous clause 12. Viability is the first, competitiveness coast to coast is second — which I think is important to the shippers — and the continuation of good management–labour relations, which is important to the employees, is third. I believe that the bill is an attempt to find a balance between railway viability, competitiveness for shippers and employees. There can be no doubt that the question of railway viability must be addressed. I wish we were not in a position where we had to utilize the back-to-work legislation.

However, it is difficult to move from an industry that has had a history of this to total negotiated settlement. I believe trying to touch on all these three bases is a good balance.

**Senator Lynch-Staunton:** What is your assessment of the conciliation report itself?

**Mr. Ritchie:** The Hope report?

**Senator Lynch-Staunton:** Yes.

**Mr. Ritchie:** We are on record with the Minister of Labour that we felt that the Hope report made some interesting observations and was ploughing new ground. It was not perfect.

There were areas that we felt were of concern to us, in particular the length of time that it would take, and the question of economic viability being debated was of some concern to us as well.

**Senator Lynch-Staunton:** The back-to-work legislation that we had last week, Bill C-74 regarding the West Coast ports problem, required the arbitrator, if it came to an impasse, to consider the conciliation report on that particular problem.

There is no reference to a conciliation report in the bill before us, which I think is unusual, is it not? Do you know why it is being disregarded as far as the legislation goes?

**Mr. Ritchie:** You are right. That must be addressed to the minister. I point out the fact that we are into a mediation-arbitration process, which I think is an interesting concept that did come out of Mr. Hope's report.

• (2020)

**Senator Lynch-Staunton:** In effect, mediation-arbitration is really arbitration, is it not? The mediation part of the equation is automatically succeeded by arbitration if one fails.

**Mr. Ritchie:** Some people have that opinion. We would seek to arrive at a negotiated settlement through mediation because we believe that the situation respecting all three railways is unique. Contracts are different, and we do not believe that an arbitrated settlement is in the best interests of the company or of our employees.

**Senator Lynch-Staunton:** Mr. Hope suggested a 60-day mediation period and a 120-day arbitration period. The legislation indicates 70 days, or more at the discretion of the minister. Does the length of that time frame merely prolong the agony?

**Mr. Ritchie:** The issues are well known between the company and our unions. It will take time to allow the chairperson to get familiar with the issues.

**Senator Lynch-Staunton:** Or chairpersons, because there could be a number of bargaining units.

**Mr. Ritchie:** Yes, there could.

**Senator Lynch-Staunton:** Each bargaining unit is entitled to its own chairperson.

Are you open to, if not in favour of, the possibility of devising some form of essential services policy or process in Canada so that when we enter a strike, at least minimum services in essential areas are provided to Canadians? The system in Quebec works quite well.

**Mr. Ritchie:** The practice in the railway industry with respect to essential services is different from essential services in the provincial arena. We are an interrelated industry that requires maintenance of way workers, to look after equipment, run the trains and fill out forms. To say that any one of those persons is essential is very difficult. They are all essential in the operation of a railway. If 10 per cent of our employees were declared essential, you would only have 10 per cent of the railway running. You would then have to go through some form of triage to determine who would get service and who would not. That would be a very difficult process to determine.

**Senator Lynch-Staunton:** Are you saying that the system cannot operate in a partial manner; that it must operate *in toto* or not at all?

**Mr. Ritchie:** No, obviously not. We are an example of a railway operating at 80 per cent to 85 per cent today. However, we are doing that with our human resources wasting right now. We cannot continue in that fashion for a long period of time. We were obviously willing to do so to put economic pressure on ourselves and our unions to come to a deal. I am not saying the system is perfect.

Back-to-work legislation is not the way to run a railway. We need to arrive at a strategic partnership with our labour groups. What is good for labour will be good for us.

[ Mr. Ritchie ]

We are a service industry facing a great deal of competition from other modes of transportation in Canada and the U.S. Our long-term goal is to serve our customers well. We need Mr. Hucker and his members. We need the Brotherhood of Maintenance of Way employees looking after the track properly.

There is not a lot of supervision in the railway industry. There are over 19,000 miles of track. People must know their jobs, be well trained, and want to do the job at hand. That means good labour-management relations.

We have a 114-year history. It has not been all that bad. However, you people unfortunately see us when we end up before you. We are not proud of that. We are working to stay away from this place in the future.

**Senator Olson:** Mr. Ritchie, I want to ask you questions about the employment security problem. It is the basis for this dispute. At least, that is what we have been led to believe.

You made an interesting comment: You went to great lengths to explain that you wanted to improve labour productivity. I think you said that your labour costs are 53 per cent higher than your main competition, the motor truck industry. How did you get so far out of line with your main competitor?

**Mr. Ritchie:** There has been a series of negotiations to improve productivity. We have paid for that productivity. We have had productivity improvements of approximately 5 per cent a year over the last 5 years. However, to achieve that productivity, we had to buy our way out of three-man crews and cabooseless train operations, for example.

**Senator Olson:** I am aware of that. Are you negotiating to reduce your costs? We heard earlier today that labour costs in the railway industry in Canada are about 46 per cent of total costs.

**Mr. Ritchie:** They are in that neighbourhood, yes. That is why we are negotiating to get our labour costs down. In many cases, we have been successful in doing so. Employment security is one of the ways to reduce our labour costs. We are not seeking to eliminate employment security, however. The deal we negotiated with the three unions representing 3,000 people calls for significant modification.

We are looking to transfer people on employment security in Montreal to our main shop in Calgary, where we need the same number of employees with identical skills. We are willing to pay their move, and we are willing to pay them for the fact that they will move. That is how we are looking to reduce employment costs. We are looking to change the work rules so that we can more effectively use the employees we have.

**Senator Olson:** I am very pleased that you offered that explanation. I was not aware that you had made that offer.

Have you offered a modified employment security position as a substitute for the agreement negotiated in 1985? That seems to be the major sticking point. We have been led by the unions to believe that there will be no discussions until you agree to a major modification of employment security. Have you offered concessions to the workers in addition to those you just mentioned?

**Mr. Ritchie:** Yes, senator. We offered the concessions I just mentioned. They were accepted by 3,000 employees. They call for people to accept a job anywhere in Canada. We are willing to pay them to accept that contract. In other words, we are willing to give a lump sum payment and a wage increase over three years. That provision has been accepted. We are willing to pay people to move. That provision has been accepted.

We are talking about modified employment security. If the employees take it and go to a job where we need them, they have a job. We are better off because we do not have to train a new employee. These are good, skilled employees.

If the employees decide they do not want to move — and I have heard a lot of emotional talk about our moving people from Quebec to Alberta — they can elect to stay in Montreal. Again, we have offered a modified package. If the employees elect to stay in Montreal, they must accept any job in the railway. To date, some employees in Montreal have not accepted any job in the railway because they have not been required to do so by the contract. Fifty-five jobs in the running trade in Montreal due to traffic growth have been turned down by the Angus workers who are on employment security.

**Senator Olson:** I think you could properly tell me that unions can speak for themselves. What was their response to this series of offers with respect to employment security, which not only the Angus workers but others could accept?

• (2030)

**Mr. Ritchie:** Those three unions accepted them.

**Senator Olson:** What did the others say?

**Mr. Ritchie:** Two other major groups are affected by employment security. We believed we were coming close to a different deal for the Brotherhood of Maintenance of Way workers a week ago. Those negotiations went cold when we thought we were very close to a deal. Frankly, we have had a very difficult time with the Canadian Auto Workers. They do not want to accept nationwide seniority. We believe that we need that flexibility if they want to have employment security.

The economy changes across this country quite quickly, and if people wish to take employment, we need to be able to transfer them to where the work is. If they do not want to take that work, we are willing to give them some modified unemployment benefits that will carry them over, I think very generously, for three to five years with retraining provisions. We are not being heavy-handed. It is arguable that the employment security package which we are trying to negotiate is one of the richest packages still available in Canadian industry. We are willing to do that in order to arrive at a negotiated settlement.

**Senator Stewart:** The issue of the difference between wages paid to truckers and railway employees has been touched upon by Senator Olson. Putting that aside and putting aside the matter of artificial barriers to work assignment, let us go back to the two other points you mentioned at the beginning, Mr. Ritchie.

You said that labour productivity is very much lower in Canada in the railways than in comparable companies in the United States. If I heard you correctly, you said that in terms of regulatory and taxation environments, there is not a level playing field. You are under pressure, your employees are under pressure and your industry is under pressure. I am trying to get an understanding of some of the aspects of that pressure.

Would you tell us what would be necessary to create a level playing field with American competition, insofar as regulation and taxation are concerned? Having done that, would you give us your explanation of why labour productivity is so much lower in Canadian companies than in comparable American companies?

**Mr. Ritchie:** I will reverse that, senator, if you do not mind, because I think that would work better for what you are seeking.

Labour productivity in Canada changes for different types of workers, but let us use as an example the workers who have employment security. To bring them up to the level in the United States, we must change the work rules to get rid of the steam-age delineations among the crafts within our shops. Over the years we have not been able to change from pipe fitters, boilermakers and blacksmiths to a composite mechanic, although many of our men and women have these composite skills.

Second, the density of our lines are not the same as they are in the United States. We must run a lot farther to pick up tonnage in Canada because we are more sparsely populated than is the United States. Therefore, we need more people running around picking up traffic in order that we can make a heavier train.

Third, taxation in Canada does not encourage the substitution of labour by capital. In the United States you can write off your equipment twice as fast as you can in Canada, so you are encouraged, for cash reasons, to substitute capital or put capital in. We have not been able to do that in Canada, although we have tried mightily to convince the Department of Finance that this would be good for the Canadian economy because it would help to revitalize the Canadian railway industry.

On the fiscal side, we pay over 14 per cent of our revenue in government taxation at the federal and provincial levels. That includes property taxes and fuel taxes. In the United States, that figure is 7 per cent. That represents many millions of dollars for CP Rail. How much is it, David?

**Mr. David Flicker, Vice-President of Government Affairs, CP:** It has been found, in a series of regulatory proceedings, that the difference is about $200 million a year for Canadian railways. If they were operating in the States, they would be paying $200 million a year less in taxes than they do for the benefit of operating in Canada.

**Senator Stewart:** Is that CP and CN together?

**Mr. Flicker:** That is CP and CN combined, and those are findings of the government's National Transportation Act Review Commission and the IBI report of the Transportation Association of Canada. It has been verified repeatedly.

**Mr. Ritchie:** The other area in which they have a leg-up in the United States is the ability to rationalize the railway track. In Canada, we have been slow and reluctant to move ahead on that. There are many barriers for railway companies to do that. We are

starting to make progress in that area. We believe that there are changes coming to the National Transportation Act that will help us in this area, but we are behind the times, and we have to get moving.

Canadian Pacific must revitalize its railway. We must increase our capital spending to $500 million or $600 million a year for four to five years. We have been at the level of about $250 million, and that is not replacing our assets. If we wish to keep the railway in private enterprise, we must create the conditions which allow us to earn the cash to do so.

**Senator Stewart:** With regard to trucking, you mentioned an explanation for why wages are higher in rail transport than in trucking transport. Is there anything to be said with regard to the fact that highways are provided by the taxpayer, in one way or another, for the trucking industry, whereas, for the most part, at least in modern times, the railway companies must provide their own ways?

**Mr. Ritchie:** Yes, senator. Thank you. We believe that is one of the inefficiencies in the surface transportation policy which the government must address. Highways are provided at less than cost for the trucks. On the other hand, railways provide their own right-of-way, and on top of that, to add insult to injury, we must pay property tax on them, and that tax is quite high. It is a significant amount of money. It is over $30 million in Quebec and the same in British Columbia. These are not insignificant sums for us.

The other point that we must remember when looking at the trucking industry is that no definitive study has been done in Canada to determine how much a truck costs and how much of the highway it consumes. Highways are not built only for automobiles. They are built for automobiles and trucks. If they were built only for automobiles, they would be a lot less expensive to build and a lot less expensive to maintain. The grades are less when there are heavy trucks operating, and the curvature is less. The signage is more intense because automobile drivers must be able to see around it. All of those things should be considered, but have not been. That is a matter for frustration in the railway industry in this country and in the United States.

• (2040)

In addition to that, vehicle weights and dimensions are continually growing in Canada. It is to the point that they are significantly higher than in the United States. A truck in Canada can weigh up to 133,000 pounds. In the United States on the interstate highway the maximum weight is 90,000 pounds. That gives the advantage to a trucker over the railway in Canada by a considerable amount. There is no plot here to put the railways out of business. This is done to try to keep our industry competitive. To this date, there has not been an entire approach to the surface transportation industry in Canada.

**Senator Kinsella:** In how many collective agreements is CP Rail involved?

**Mr. Ritchie:** Seven.

**Senator Kinsella:** Did you say that you were close to an agreement with one or two of the seven?



**Mr. Ritchie:** We have agreements with three.

**Senator Kinsella:** There are four outstanding and therefore subject to this bill; is that right?

**Mr. Ritchie:** Yes, sir. All seven are subject to this bill, unless the three reject the contract.

**Senator Kinsella:** In terms of the process for settlement, after this legislation comes into force, are you satisfied that the process will be operated on a level playing field from the standpoint of both industry and labour, at the mediation level? Keep in mind that should it fail, the arbitration powers will kick in, if I understand the bill correctly. Do you have concerns that passing on the information to the commission when it is playing its conciliation role would generally be done without prejudice and, if it is the same body which then becomes the arbitrator and you have been giving company data without prejudice, might this not place you at a disadvantage from the arbitration standpoint?

**Mr. Ritchie:** Senator, you ask if the mediation-arbitration process is a level playing field. On the mediation side, I think it depends on how the parties want to play it. We want a negotiated settlement. Thus, in the mediation process we will try to reach a negotiated settlement.

The process of mediation-arbitration is similar to what is called a presidential emergency board in the United States where it does impact on mediation. It is not pure mediation as we know it. However, it lends itself to a little more intelligence when the arbitration comes around. People know what the issues are. You can start to get some finality to these issues. You can reach an arbitrated settlement that is proper and which addresses the industry and the needs of the employee. It is no surprise to both parties. They know what is coming. It helps to hear all the issues.

**Senator Andreychuk:** Mr. Ritchie, I was impressed with the fact that you said settling the labour dispute was one of four targets in bringing your company into a more viable position. Could you comment on clause 12 of the proposed bill? Why do you believe that it may help you by having it in the legislation? I presume that in your previous labour negotiations you would have put forward before mediators, et cetera, what you could or could not pay in practical terms for the viability of the company and the industry. Why is it necessary to have it in the bill? How will you approach the mediation process differently because it is there? Or will you approach it differently?

**Mr. Ritchie:** I do not know whether we will approach the mediation process any differently. However, I think it is obvious to all of us — railroads and unions — that a traditional arbitration process takes a look at both sides and seeks to find middle ground. I believe that the railway industry is at a critical point in its life, which is why the viability clause was put in the bill.

Our ability to service our customers effectively and efficiently is at a critical stage, which is why the competitive coast-to-coast clause was put into the bill. I believe that both labour and union management are at critical stages, which is another reason why that clause was put in. I am the first to admit that back-to-work legislation will never be perfect. However, we have to address all three of those issues. I think that this legislation has come as close as any that we can expect to try and do so.

**Senator Andreychuk:** We recently legislated longshoremen back to work without such a clause. Do you believe that your industry is in a more critical position, or was there something in the way you were bargaining that led you to believe that you needed this clause?

**Mr. Ritchie:** I cannot answer for the industry on the West Coast. Mr. Hope stressed the viability issue of the railways, which is one of the reasons it surfaced. There have been many studies done by various government bodies in terms of the position of the railway industry. I believe that is another reason why that clause is in the bill, senator.

**Senator Lynch-Staunton:** Once this legislation goes through and things get back to normal — hopefully some time early next week — what will the long-term impact of the last week or so be on the Canadian economy? The short term can be measured in dollars. However, surely you and others have had calls from customers concerned about your ability to meet certain schedules. I am sure suppliers are upset. Do you think we have been hurt badly? How badly have we been hurt by it?

**Mr. Ritchie:** It is difficult to say. It is so competitive out there. In terms of our export commodities, representatives of the coal and the grain industries have been on the phone to me quite often. They have pointed out the significance and importance of security of supply and what we are facing from the Argentinians, the Americans and the Australians in our bulk markets. The container people do not phone so often because their ships go to Tacoma. They do not come to Seattle. I think Montreal has been damaged considerably.

Both the employees and the company will have to struggle hard to regain the trust. Canada had quite a period of labour peace. I am not so sure why that was. I am not so sure if I know why we are having this discord right now. As a country and as a company there is no doubt that we have been hurt.

**The Chairman:** If there are no further questions, on behalf of honourable senators, I wish to thank Mr. Ritchie and Mr. Flicker for their appearance here tonight and for their patience in waiting their turn.

**Senator Lynch-Staunton:** Mr. Chairman, before you report, may I just say — and I am sure I speak for many of us — that this has been an invaluable and most informative day. It is one which will help us in the future as we tackle these important and complex problems.

I want to thank all those who appeared before us. I thank the government for agreeing to hold this exercise. Unwittingly or not, it has agreed to a limited form of pre-study.

**The Chairman:** Honourable senators, shall I report that the committee has completed its examination of the question referred to it earlier this day?

**Hon. Senators:** Agreed.

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**The Hon. the Speaker:** Honourable senators, the sitting of the Senate is resumed.

REPORT OF THE COMMITTEE OF THE WHOLE

**Hon. Eymard G. Corbin:** Your Honour, the Committee of the Whole, to which was referred the question of the desirability of enacting immediately a measure to terminate the present railway strike, has considered the said question and has concluded its consideration thereof.

• (2050)

## BUSINESS OF THE SENATE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, I move:

> That when the Senate completes its business today the sitting be suspended to the call of the Chair.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, the deputy leader and I have had some discussion as to the absolutely-impossible-to-understand dynamics over in the other place. Perhaps the deputy leader could enlighten us as to what the options are in terms of notice over the weekend, if we do need to come back to deal with this legislation? We would all appreciate the benefit of your wisdom, sir.

**Senator Graham:** I just heard our own whip behind me saying, "Well, I certainly would appreciate some wisdom."

Again, after our preliminary investigation of this very serious problem facing the country, I regret that I am none the wiser than I was yesterday or last evening or this afternoon. The scenario as outlined earlier stands. I could add that there are two or three windows of opportunity to again seek unanimous consent, so Yogi Berra lives at least in my heart.

As I understand it, the Commons session on Friday begins at 10:00, Question Period ends at noon and the session adjourns at 2:30. As I stated earlier today, if all else fails, there is a House order to have report stage at nine o'clock Saturday morning and, in the absence of unanimous consent, time allocation. I believe that House order also includes, if required, a sitting in the other place on Sunday beginning at one o'clock, again with time allocation to deal with third reading.

If we go the limit, we should be back here late Sunday afternoon or early Sunday evening. If the log jam breaks earlier, it could be sometime tomorrow or Saturday. I have been looking at my Picasso paintings again.

In that event, we will attempt to give adequate notice to all honourable senators. If we are to receive the bill at the latest on Sunday, with agreement on both sides, we will attempt to give approximately six hours' notice. However, as agreed with the Deputy Leader of the Opposition, if the log jam breaks tomorrow or Saturday, the time frame could be a bit tighter.

Motion agreed to.

The Senate adjourned at pleasure, to the call of the Chair.

At 1:30 p.m., Sunday, March 26, 1995, the sitting of the Senate was resumed, the Speaker in the Chair.

## ROUTINE PROCEEDINGS

### APPROPRIATION BILL NO. 4, 1994-95

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-79, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on the Orders of the Day for second reading on Tuesday, March 28, 1995.

### APPROPRIATION BILL NO. 1, 1995-96

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-80, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on the Orders of the Day for second reading on Tuesday, March 28, 1995.

## ORDERS OF THE DAY

### TRANSPORT

MOTION TO DEBATE MEASURE TO TERMINATE RAILWAY STRIKE—REFERRED TO COMMITTEE OF THE WHOLE

On the Order:

Motion of the Honourable B. Alasdair Graham:

That the question of the desirability of enacting immediately a measure to terminate the present railway strike be referred to a Committee of the Whole; and

That the Committee meet later this day.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I move that the Senate do now resolve itself into a Committee of the Whole to consider the motion and hear witnesses, and that Senator Corbin take the Chair.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

CONSIDERATION IN COMMITTEE OF THE WHOLE

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on the question, the Honourable Eymard G. Corbin in the Chair.

**The Chairman:** Honourable senators, the Senate is now in Committee of the Whole.

The Clerk has proceeded to bring in today's witnesses. They are Don J. Bujold, the National Secretary-Treasurer of the Transportation Communications Union, and Maureen Prebinski, Director of Education and Information Services for the same union.

Honourable senators, I wish to welcome both of those witnesses on your behalf. It is my understanding that Mr. Bujold has a statement to make at this time. Will you please proceed, Mr. Bujold?

**Mr. Don J. Bujold, National Secretary-Treasurer, Transportation Communications Union:** Mr. Chairman, I appreciate the opportunity afforded me of appearing before the Senate today.

On behalf of the members of the Transportation Communications International Union, I wish to thank the committee members for agreeing to receive us and for their interest in what our union's position is on Bill C-77, the Maintenance of Railway Operations Bill, 1995.

• (1340)

The Transportation Communications Union, TCU, represents 10,000 workers across Canada who are involved in the transportation of goods, people and information. TCU members work for Canada's national railways, trucking firms, ferry operations, and grain operations. There are 2,000 TCU members who work for CP Rail, and it is on behalf of those members that I appear before you today. TCU has become a party to this legislation by virtue of article 31(*a*).

I wish to provide you with some background on TCU's negotiations with CP Rail over the past year. As with other unions, TCU's collective agreement with CP Rail and its clerical workforce expired on December 31, 1993. Beginning in November of 1993, TCU opened talks with CP Rail. The climate of negotiations was, to say the least, heated and frustrating. We continued to talk despite the outrageous demands of the company, which were, in the words of Conciliation Commissioner Allan Hope, "controversial and provocative."

However, very early in the bargaining process, the federal government embarked on a campaign of interference in the natural progression of talks and provided CP Rail with little incentive to fully commit itself to bargaining in good faith. Early in 1994, pursuant to section 106 of the Canada Labour Code, Human Resources Development Minister Lloyd Axworthy appointed Mr. Paul Fraser to conduct an independent review of the current state of labour issues in national rail bargaining. This was an unwelcome intrusion into the bargaining process and allowed the railway companies to avoid entering into serious negotiations with the unions until after the independent review officer presented his findings.

A former labour relations officer for Canadian National, Donald Fraleigh, presented a report to Transport Canada in late April, 1994, on the conditions of work in the railway industry. His report was widely circulated among members of Parliament and omitted important information to ensure a one-sided view of working conditions and employment security.

We then saw the Minister of Transport, Doug Young, repeatedly coming down clearly on the side of the railway companies when he spoke of railway viability and competitiveness, and how union contracts prevented the national railways from competing in the new world economic order. The minister, in an appearance before the Western Transportation Advisory Council in October, insulted thousands of railway workers across the country when he referred to them and their union leaders as workers with limited education. I believe his exact words were, "workers with Grade 7 or 8 education." It was no stretch of the imagination for us to realize exactly which side the government was supporting in this current round of negotiations, and it certainly was not the workers.

I would submit to you there are other more significant factors that have worked to undermine the railway industry's competitiveness. Specifically, the lack of an integrated transportation policy in this country, as well as the reduced value governments have placed on rail transportation, have contributed to the decline in Canada's railway competitiveness, vis-à-vis the United States. In addition, taxation policies, including diesel fuel tax rates and property taxes on railway rights-of-way transportation corridors, have helped reduce railway competitiveness. In my view, these are far greater factors than labour costs.

This background puts into context the atmosphere in which we struggled to reach a contract for our members at CP Rail. It was an atmosphere in which certain government officials repeatedly insulted and slammed railway workers. It was an atmosphere in which the railway companies knew that they had the backing of the government, and so they had little incentive to settle the contract disputes.

Despite this, the TCU, together with two other unions, the International Brotherhood of Electrical Workers and the Rail Canada Traffic Controllers, were able to reach a tentative settlement with CP Rail on March 12, 1995, one week before strikes and lockouts occurred at Canadian National and VIA Rail. Even so, the TCU, IBEW and RCTC have been included in Bill C-77, presumably because our tentative agreements have not yet been ratified by the membership. Voting is being conducted on our tentative agreement, and ballots will be counted on April 26.

While the TCU has reached a tentative agreement with CP Rail, we are obligated to comment on Bill C-77 and express our concerns with the legislation.

Under clause 32(8) of this legislation, the minister may defer issuing a notice of the appointment of a mediation-arbitration commission where the employer and the union have reached a tentative agreement. However, the legislation does not guarantee that the minister will not exercise his or her discretion and refrain from issuing notice under the legislation until the entire process, including membership ratification, has run its course. We respectfully request that TCU, IBEW and RCTC be guaranteed that there will be no action taken by the government in our process pending the outcome of our membership ratification votes on April 26.

In addition, under clause 33(1)(*b*), each mediation-arbitration commission to be set up under this bill shall fix dates for the termination of new collective agreements established by this process. The date set by this legislation for the termination of contracts is no earlier than December 31, 1997. The tentative agreement signed by our union, if ratified, would end on December 31, 1996. Would the freely negotiated settlement between the TCU, IBEW, RCTC and CP Rail be arbitrarily extended to conform with the legislative requirement for collective agreements with other unions? If this is the government's interpretation, then the TCU must strongly protest.

Our tentative agreement was freely negotiated and settled prior to legislative intervention. We cannot accept legislation that will change the terms and conditions on which we have signed. We request that the TCU, IBEW and RCTC be guaranteed an exclusion from the legislated termination date of December 31, 1997, for collective agreements affecting other railway workers.

Finally, the right to withhold one's labour in order to fight for fair and just working conditions is fundamental to the foundation of the labour movement. While we oppose any move by government to restrict or remove the right to strike, we recognize that sometimes government must act in the public interest and end a strike. We do, however, oppose the government when its defence of the public interest disguises its intent to defend corporate interests, and this is what we believe is the underlying intent of Bill C-77.

In each part of Bill C-77, at clauses 12, 35 and 56, the mandate of each mediation-arbitration commission must take into account:

> ... terms and conditions of employment that are consistent with the economic viability and competitiveness of a coast-to-coast rail system in both the short and the long term, taking into account the importance of good labour-management relations.

It is on this point that we must be very clear: The national railways have put forward the position that employment security provisions of collective agreements must be rescinded in order for their operations to reach financial viability. The government, in the statements made by various ministers, appears to support this position. Therefore we feel the government has shown a bias in favour of the railway companies' demands by its inclusions of clauses 12, 35 and 56 in the legislation. It is our view that clauses 12, 35 and 56 are unnecessary, and we respectfully request that they be eliminated from the legislation.

I thank the committee once again for hearing our views on Bill C-77. I would be pleased to answer any questions that senators might have.

**The Chairman:** Thank you, Mr. Bujold.

Senator Lynch-Staunton, do you wish to question the witness?

**Senator Lynch-Staunton:** Thank you for your presentation. It was certainly clear and forceful.

Mr. Bujold, how long have you been in labour negotiations on behalf of your union?

**Mr. Bujold:** I have been involved as an officer of the Transportation Communications Union since 1984.

**Senator Lynch-Staunton:** Based on your personal experience and knowledge of previous negotiations, have you ever seen the employee and the employer so far apart, as you are telling us they are today?

**Mr. Bujold:** Not only have I been a full-time officer of the union since 1984, I have 31 years with Canadian Pacific. In all that time, I have never seen an issue come between the parties and split them so far apart.

**Senator Lynch-Staunton:** Although you and two other unions have come to some tentative agreements with CP Rail, that is the only positive result of over a year of discussions, off and on; is that correct?

**Mr. Bujold:** That is correct.

**Senator Lynch-Staunton:** Can we assume that voluntary negotiations between the parties are impossible and that a law is required to put an end to this matter?

**Mr. Bujold:** I am missing something. I am sorry, but I am missing what you are asking me.

• (1350)

**Senator Lynch-Staunton:** You may despise being forced back to work, but it appears from what you say that there is no alternative because negotiations between the parties have been fruitless.

**Mr. Bujold:** The three unions referred to in my submission did reach a tentative agreement with the railways.

**Senator Lynch-Staunton:** Yes, but that is the only bright light in all the negotiations, I gather.

**Mr. Bujold:** I must suggest that that is correct.

**Senator Lynch-Staunton:** In this place, we will not amend the legislation. I think we have already gone over our amendment quota, according to the government. However, we certainly want to learn all we can from you, from the employers and from the previous union representatives so that we can contribute to finding a better resolution for these issues without Parliament intervening so often.



Can you tell us exactly how the comments and interventions of the Minister of Transport and of Mr. Axworthy poisoned the atmosphere or affected the relations between the two groups who were negotiating?

**Mr. Bujold:** First, the Fraleigh report was an extensive report concerning the troubles that would face the railway unions and the companies. However, this report failed to mention that it was the companies who decided, in this round of negotiations, that they would not negotiate with the organizations as a collective group.

In past negotiations, a number of unions came together as an association of railway unions to negotiate a collective agreement. Both companies in this round of negotiations stated that they would not negotiate with them; that they had intentions of negotiating with the organizations separately. In my view, that first created the atmosphere.

When we made an appointment under section 106 of the Canada Labour Code, that effectively put the companies on hold, waiting to see what the CLC report would say.

With respect to Doug Young's comments, for example, at a WESTAC meeting when he referred to the railway workers' representatives having grade 7 or 8 educations and not being able to understand how they could out-negotiate the railways, certainly those comments did not help to set a climate appropriate for collective bargaining.

**Senator Lynch-Staunton:** The big issue is employment security. The rail companies have made it clear that they cannot live with the present form of employment security. In your tentative agreement, how much have you backed off, if at all, from the employment security provisions in the old agreement?

**Mr. Bujold:** The employment security, as I see it, was negotiated in 1984 as a sweeping employment security provision. To decide now, at this date, to completely remove it from the agreement is, in my view, just not possible.

As an organization, together with the other two organizations, we recognized that we had a fight on our hands here that we could win at the end of the day. We decided then to sit down with the employer, the three organizations, to see what we could do to reduce the effect of the employment security on both railways. We did not completely remove the employment security, but the agreement does contain a number of options for the employees we represent in lieu of moving from location to location.

Our situation is somewhat different because employment security does not work as simply as is being inferred. In order to maintain employment security, a worker may be required to move, for example, from Sudbury to a location such as Toronto. Many of our members would refuse, and indeed many have refused such a move and lost their employment security completely.

Based on those situations, we entered into negotiations with a number of options, and those are contained in the agreements we negotiated. The employment security issue is still there in the agreements yet to be ratified. However, as a last resort, the employee must accept any work right across the CP system in order to maintain his employment security.

**Senator Lynch-Staunton:** If you have been able to agree with CP on modifications to the existing provisions regarding employment security, why is it that the other union is having difficulty? Is it because of the type of work you do? Why can the other unions not also come to a similar agreement?

**Mr. Bujold:** The other unions have problems somewhat worse than our own. We represent a total of 20 people who are on employment security, so we were able to address those issues by building into the agreement options for early retirement incentives. However, the unions which have 300 employees sitting on employment security, in Montreal, for example, are in somewhat more difficulty in addressing the issue.

When you talk about the maintenance union members, those people who work on the track, they have also not reached a collective agreement. With the number of gangs and locations involved, they have trouble entertaining the type of agreement that we have entertained, although, in my view, it is probably a good agreement based on the fact that we will likely lose employment security in its entirety for the members in the end. However, their situation is much different from that of the three organizations who have negotiated agreements.

**Senator Lynch-Staunton:** The three unions have these tentative agreements with CP Rail, and the vote is to take place in April.

**Mr. Bujold:** The vote will be held on April 26, 1995.

**Senator Lynch-Staunton:** All three unions have the same date.

**Mr. Bujold:** We have the same ratification date, that is correct.

**Senator Lynch-Staunton:** Of course, the company is on side. They are just waiting for the members' approval. Yet you fear that this bill may tamper with this tentative agreement. When you brought these concerns to the minister, or at least to the Department of Labour, did they react at all? Where the law does not provide for tentative agreements, do you have any verbal assurances that the mediator-arbitrator involved with your bargaining units will recommend something which has already been agreed to between the three organizations and the company?

**Mr. Bujold:** No, we do not have any such assurances. To bring that point home, I have just returned, with the other two unions, from a gruelling trip across the country, holding massive membership meetings to explain the types of steps we took to negotiate a collective agreement, to explain the political environment out there, as a consequence of the refusal of the other organizations, and to explain the differences in our situations. I say those were gruelling meetings, but I found them to be quite successful.

However, for a bill to be passed now which would do harm to that collective agreement before we can decide whether to ratify, in my view that would do irreparable damage to the three organizations which did sit down and negotiate an agreement based on the political climate and the employment security issue.

**Senator Lynch-Staunton:** But have you made representations to the department?

**Mr. Bujold:** No, we have not.

**Senator Lynch-Staunton:** Do you know if CP Rail has made representation? Do you know whether they will also insist that the agreements, tentatively agreed to, will be confirmed or not interfered with by the application of Bill C-77?

**Mr. Bujold:** I have no knowledge as to whether or not they did.

**Senator Stewart:** We were told by the president of Canadian Pacific that their company does not enjoy a level playing field with American competition. The reason this matter comes up, Mr. Chairman, is that there is an uneasiness that an effort may be under way to assist the railway companies to overcome this absence of a level playing field in part of their operations at the expense of employees.

What is your impression as to the difference in the circumstances affecting, let us say, Canadian Pacific and its American competitors? Is that a matter on which you would have any direct information?

**Mr. Bujold:** In my view, one of the things which puts the Canadian railways at a great disadvantage with the American railways is the tax levied on both Canadian railways. I referred to that tax in my submission.

• (1400)

For example, Canadian Pacific, which runs from coast to coast, is required to pay a tax based on its fuel and tonnage haul in each province. That tax is not levied on American roads. That puts Canadian roads at a great disadvantage with the American roads.

**Senator Stewart:** Your answer presupposes that there are situations where Canadian companies are competing with American companies for the same business. Is it your impression that the volume of business involving American competition with Canadian roads is about the same as it was 10 years ago, or has it increased considerably?

**Mr. Bujold:** I would say that the competition has increased greatly because of the north-south flow. There is a great deal of traffic in that direction. I do not have the figures. However, a significant amount of traffic has been removed from both railways.

**Senator Stewart:** Are you saying that in any labour settlement that takes into account the economic circumstances of the railway companies, the fact that there is intense American competition now and that we can anticipate that competition to increase should be a major consideration?

**Mr. Bujold:** Certainly. However, the point I am trying to make is that there are problems in some of the collective agreements. Changes must be made. If the railways would have proceeded in the manner in which we have negotiated agreements in the past — that is, allowing the organizations to come together to negotiate a collective agreement, as opposed to making a decision to negotiate an agreement with each and every individual union — we may well have arrived at some way of addressing the problems.

When you look at the members we represent you will see that many people need to have 20 years of seniority with the national carrier to be able to hold employment. You must appreciate how the labour force has been reduced. The technology which has affected the railway worker must be taken into consideration.

**Senator Stewart:** When Mr. Ritchie was here on March 23, I asked him about American competition. He made reference to the difference between labour productivity in Canada and the United States. Speaking specifically of workers who have employment security, he said:

> To bring them up to the level in the United States, we must change the work rules to get rid of the steam-age delineations among the crafts within our shops. Over the years we have not been able to change from pipe fitters, boilermakers and blacksmiths to a composite mechanic, although many of our men and women have these composite skills.

Is this a topic to which your union is sensitive? Is it a topic on which you can be helpful to this committee? What do you say in reaction to what Mr. Ritchie told us?

**Mr. Bujold:** For obvious reasons, it would be difficult for me to comment on the groups which are represented by the Canadian Auto Workers. My understanding is that they gave a presentation on this bill.

With respect to productivity and the employees we represent, that would not be a true statement because we do not have anyone on employment security. As I said, one has to have roughly 20 years of seniority to hold full employment.

All the clerical people have been centralized in major centres. We do not have people sitting around doing nothing. Mr. Ritchie well knows that if you go into the centres to look around, not a whole lot of time is being wasted. It is tough for me to comment on the shop craft groups.

**Senator Stewart:** You said that you do not have a lot of people sitting around doing nothing. Do you mean to imply that other unions do?

**Mr. Bujold:** Not at all.

**Senator Beaudoin:** At the end of your brief you refer to clauses 12, 35 and 56. Clauses 12 and 56 are of the same nature, while clause 35 is somewhat different. Is it really clause 35 to which you wish to refer, or is it clause 34, which is of the same nature as the two others?

**Mr. Bujold:** Yes.

**Senator Kinsella:** I should like to turn to two questions which you have raised in your brief. The first one involves the application of clause 33(1)(*b*) to your union, given the fact that you have a tentative agreement that is subject to the ratification process. Based on your many years of experience in the labour field, what do you think the government's interpretation of that clause should be?

**Mr. Bujold:** Our union, the IBEW and the RCTC came together jointly to negotiate that agreement. Based on the environment that we were in and the politics of the day, we firmly believe that having negotiated freely a collective agreement, the government should leave it alone. If ratified, the expiry date that was freely negotiated with the employer should stand.

**Senator Kinsella:** To what date do you refer?

**Mr. Bujold:** December 31, 1996.

**Senator Kinsella:** Mr. Bujold, are there authorities in the labour field in Canada who would argue your position in the same way as you have argued it?

**Mr. Bujold:** There could be. For many reasons I am not in a position to go into that today. If three organizations sit down with their employers to negotiate collective agreements and a bill to change that relationship is presented, we have to wonder about the reasoning for going through the process.

• (1410)

**Senator Kinsella:** That provision on page 15 of the bill is discretionary. The minister may defer. The minister does not have to do this. The minister could simply not appoint a commission. Did your executive, and that of your associate union, recommend to the membership that they ratify the tentative agreement which you reached?

**Mr. Bujold:** Yes, we did.

**Senator Kinsella:** Given the history of these issues, one would expect that they would be ratified.

**Mr. Bujold:** That is correct. The legislation kept being changed. Those were real issues with which we had to deal. In some areas, the membership questioned what we were doing when there was legislation in place with the potential to hurt the agreement in the first place.

**Senator Kinsella:** We expect to hear from the minister later today. On your behalf, we will ask her that question as to their interpretation.

If their best argument for imposing on your agreement the same duration as that imposed through arbitration was to have symmetry, if not to have a period of tranquillity in the industry for two years, what would be your counter-argument to that reasoning?

**Mr. Bujold:** My counter-argument would be that although these negotiations have probably been the toughest negotiations ever experienced in the railways, these three organizations came to terms and reached a collective agreement. Why would it be any different when our agreements expire in December of 1996?

**Senator Kinsella:** My colleague Senator Beaudoin has drawn to our attention the wording of clause 12, and we have discussed it with other witnesses who appeared before us on Thursday. Many would argue that it is a good thing that the state has such awesome power to protect the public interest. In fact, you have alluded to that yourself. However, does the interference of the Minister of Transport make the words "economic viability," which appear in this bill, a greater concern than they would have been had there not been that kind of interference, as you perceive it?

**Mr. Bujold:** Yes. Due to the interference in the collective bargaining process, that wording in the legislation is of great concern.

**Senator Doyle:** You have given us an account of your differences with the minister, and arguments have arisen over what he said regarding the educational background of both the workers and the union leaders. Without getting into whether he was being reasonable or unreasonable, to your knowledge in recent years has there been any extensive or effective programs to upgrade educational standards, if not within the union leadership certainly within the working force?

**Mr. Bujold:** First, the comments made by the minister certainly do not receive my approval. I disagree wholeheartedly with what he said. We do have the odd railway worker and the odd labour leader who has more than a grade seven or grade eight education. His statement was irresponsible. It sent the unions the message that we would be greatly scrutinized in this round of bargaining and that the government would take the side of the railways.

**Senator Doyle:** I am certainly not asking you to take sides. I think it is a reasonable question. Are you aware of any programs underwritten by the railways which consciously appeal to workers to upgrade their basic educational standards?

**Mr. Bujold:** No, I am not.

**Senator Doyle:** Thank you very much.

**Senator Kinsella:** Returning to the phrase "economic viability" in clauses 12, 35 and 54, do you have any difficulty with the concept that in any industrial setting economic viability is an important factor as workers and management sit down to negotiate fair terms and conditions of employment?

**Mr. Bujold:** Without economic viability in the rail industry, it will be very difficult to operate. We may end up with a number of short lines, such as they have in the United States. There must be viability within the rail industry, or there would be no railway.

**Senator Kinsella:** What is your greatest fear in terms of the rights of railway workers when one applies that concept or principle of economic viability? Is it your concern, for example, that there may not be fairness because a sector of the industry or a sector of the employment group which is not unionized will do very nicely, whereas those in the bargaining units might not fare as nicely? Is that a concern?

**Mr. Bujold:** No, not at all. With regard to economic viability of the railway, my greatest concern is that the railways will be allowed to go too far, that the measures taken would be so drastic as to completely eliminate employment security. Employment security was negotiated, and the railways may have to experience some pain in order to reduce their liability with regard to those employees who have it.

That clause of the bill, if enacted, would remove that liability completely. I suggest that such a proposal should require an arbitration process. Taking away the employment security of 300 people and taking them off the payroll of the company would naturally be great for the books. The viability of the company would be that much greater. However, there must be a way of giving these people other work or having them leave the rail industry through attrition. I am very concerned that the enactment of that clause will remove those people from the labour force completely.

**Senator Kinsella:** I take it that the assumption upon which we will operate is that the commissions will have complete access to the books of the companies in order to be able to apply that principle of economic viability. Do you think that will happen?

**Mr. Bujold:** I would be surprised if it did.

**Senator Kinsella:** Is there any way, in your view, in which the commission would be able to apply that principle without looking at the books?

**Mr. Bujold:** I believe it would be extremely difficult for them to do so. The commissioners would have to know the cost of the workers now on employment security. They would have to know the changes, if any, made to employment security and what that has done to reduce the overall costs of the company. I do not know how the commissions would be able to do that without seeing the books.

**Senator Stewart:** I realize that this is not a question for which you are the primary source of information, but since you know the industry and you have looked at the bill, it would be interesting to know what you anticipate. The bill makes reference to commissions. That is true even within the CNR or Canadian Pacific. Legally, there are to be several commissions.

• (1420)

For example, do you anticipate that, on behalf of CP, the membership on each of the several commissions will be the same persons? What is the situation with regard to the other companies? If that is your answer for CP, will they all be the same? Will we have 18 different commissions?

**Mr. Bujold:** I have read the bill, but I have not gone over it with a fine-toothed comb. I am not sure whether the bill would set up a commission on CN Rail, a commission on VIA Rail and a commission on CP Rail, or if it would set up a commission on CP for each and every individual contract out there. It could be that it would set up perhaps 18 separate commissions.

**Senator Stewart:** Technically, they would be separate commissions. However, the question is whether the personnel would overlap to such an extent that there would really be only one commission. I realize that this question is more appropriate for the minister, but I am interested in your view because of your knowledge of the situation to which the legislation will apply.

**Mr. Bujold:** Technically, they could appoint several commissions. However, my view is that they would appoint one commission.

**The Chairman:** Do other senators wish to question the witnesses? If not, it remains for me to thank both witnesses for their appearance here this afternoon.

**Hon. Senators:** Hear, hear!

**The Chairman:** Honourable senators, shall I report that the matter referred to the committee earlier this day has been duly considered?

**Hon. Senators:** Agreed.

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**The Hon. the Speaker:** Honourable senators, the sitting of the Senate is resumed.

REPORT OF COMMITTEE OF THE WHOLE

**Hon. Eymard G. Corbin:** Your Honour, the Committee of the Whole, to which was referred the question concerning the enforcement of the back-to-work legislation, has studied the question and now makes its report accordingly.

**Hon. Eric Arthur Bernston (Deputy Leader of the Opposition):** Honourable senators, does that conclude the pre-study phase?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** We are grateful to the witnesses who came here for the purpose of examining this very important issue facing the country.

Honourable senators, you heard the House of Commons bells ringing, and I understand the vote is being taken at the present time. In order for us to allow appropriate time for the bill to be received in this chamber, I move that we adjourn during pleasure, to resume at approximately 2:45 p.m.

The Senate adjourned at pleasure.

At 2:45 p.m., the sitting of the Senate was resumed.

## MAINTENANCE OF RAILWAY OPERATIONS BILL, 1995

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-77, to provide for the maintenance of railway operations and subsidiary services.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 57(1)(*f*), I move that this bill be read the second time now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

SECOND READING

**Hon. Joyce Fairbairn (Leader of the Government)** moved second reading of Bill C-77, to provide for the maintenance off railway operations and subsidiary services.

She said: Honourable senators, we gather here today in a most unusual sitting to consider a law ending a week-long strike which has paralyzed rail transportation throughout this country. We in this house have been prepared to deal with this legislation every day of the past week, not just because it is our job but because it is critical to the public interest of Canadians whom we represent.

It has been a frustrating week, so much so that on Thursday and earlier today we joined in this house to carry out a special procedure during which we heard witnesses from the unions and the railways in advance of receiving the bill. I thank colleagues throughout this chamber for making that process possible. I have no difficulty at all in acknowledging the initiative taken in this process by my friends opposite.

Honourable senators, this process in fact provided key participants in this dispute with an opportunity to appear in an open parliamentary forum to educate parliamentarians and the public on their points of view and disagreements which led to this massive work stoppage. However, it also permitted the Senate to use its cooperative flexibility to ensure that when the House of Commons had sorted out its difficulties, we could move quickly to carry out the final stage of this parliamentary process.

Honourable senators, none of us take any satisfaction from having to intervene in labour disputes. It is, indeed, an admission of failure all around. Every time government and Parliament must choose to force companies and unions back to work, it undermines our collective bargaining system and the confidence in which it is held by Canadians. However, the Parliament of Canada has a mandate which extends to protection of the public interest of all Canadians and the whole country. That is where our responsibility lies today.

All participants in this dispute must be conscious as well of the need to restore faith in the validity of that fundamental labour-management process in the efforts of reconciliation which follow from the provisions contained in this bill.

Last week we had before us legislation to deal with a labour stoppage at the ocean ports in British Columbia involving one employer's association and one union representing less than 500 longshoremen foremen. The dispute we are dealing with today is far greater in magnitude and in consequence.

Bill C-77 is about something much more than merely addressing another failure of the collective bargaining process. It must be seen in the larger context of the economic health of the country. Canada is in the midst of a strong recovery. Since October 1993, 454,000 full-time jobs have been created in this country. The most recent trade figures show that our exports surged 6.2 per cent in January to a record of $22.5 billion, and every day we ship $590 million worth of goods to the United States, our largest trading partner.

At the same time that our economy is showing this new strength, the railways, the heart of Canada's transportation system, are shut down. Our ports are shutting down as goods pile up on the wharves. Our grain elevators are shutting down as cars sit idle on the tracks. Our manufacturing plants are shutting down as the delivery of parts to assembly lines has been stopped. The magnitude of the problem can be better appreciated when one realizes that CN Rail alone normally handles 7,000 carloads of freight every day. It handles 60 per cent of the rail freight in Canada. However, since a week ago yesterday it has not operated a single train.

• (1450)

Every sector of the economy is affected, be it agriculture, forestry, mining, manufacturing, tourism, oil or gas; be it a steel mill in Regina, an automobile assembly line in St. Thomas, pulp and paper plants in Quebec, a gypsum pit in Nova Scotia, or the closure of the Lantic sugar refinery in New Brunswick.

All members know the impact that a rail strike has on agriculture. The total cost of the disruption for the grain industry could be as much as $100 million per week. Our international reputation as a reliable grain supplier is being seriously undermined, coming as it does after the strike of last year at the West Coast port. This is particularly true in Japan and in the Pacific Rim. During the period from April to July, we had anticipated weekly grain exports of approximately 630,000 tonnes. Obviously, this will not be achieved if the grain cars are stopped from reaching our ocean ports.

The loss of production to the Canadian economy could run into billions of dollars. The Canadian Manufacturers' Association, as has been noted in this house, estimates $3 billion to $5 billion in lost production in a single week. In addition to its impact on rail freight, this dispute has shut down all rail passenger traffic.

We are part of a national Parliament that has a responsibility to act when faced with a national problem, particularly one of such magnitude. Unfortunately, as has been shown in the past week, not all parliamentarians share this view. Last Monday, in the other place, when the government sought unanimous consent to introduce Bill C-77, it was denied by the members of the Bloc Québécois and, at the time, the New Democratic Party. After the bill was introduced the following day, consent was again denied. Last week, day in and day out, consent was denied. On Thursday, the New Democratic Party belatedly came on side, but the members of the Bloc Québécois, whose goal is the separation of Quebec from Canada, continued their opposition to this measure, right up until today when the procedural clock ran out.

Every hour of every day, as progress was blocked, the consequences, both economic and social, mounted. More workers were laid off, more companies shut down, more ships turned away from our ports, and our international reputation again was jeopardized. None of this apparently moved the Bloc Québécois. Even in the face of the damage being done to the economy of Quebec, the workers of Quebec, and the people residing in their ridings, they remained adamant. Canadians in every province should therefore have no illusion about why the trains are not yet running and why everyone was not back at work. The vast majority of the members of this Parliament were willing to act in the national interest and in the interest of their regions, but the members of the Bloc Québécois were not. This should not be forgotten.

As a Liberal government, we believe in the collective bargaining process. We view the role of government as that described in the preamble to Part I of the Labour Code of Canada, which reads:

> ...the Parliament of Canada desires to continue and extend its support to labour and management in their cooperative efforts to develop good relations and constructive collective bargaining practices, and deems the development of good industrial relations to be in the best interests of Canada in ensuring a just share of the fruits of progress to all...

The underlying spirit of the Labour Code is that the government attempts to facilitate an agreement between the parties, and only as a last resort does it ask Parliament to intervene.

In the current rail dispute, as we all know, there are three large employers: CN Rail, CP Rail, and VIA. There are seven major unions: The Brotherhood of Maintenance of Railway Employees; the National Automobile Aerospace Transportation and General Workers Union of Canada, otherwise known as the CAW; the United Transportation Union; the Brotherhood of Locomotive Engineers; the Canadian Council of Railway Operating Unions; the International Brotherhood of Electrical Workers; and the Transportation Communications International Union. Approximately 32,000 workers represented by these unions are on strike, locked out, or laid off because of work stoppages.

This government, as well as the former administration, went to some lengths to facilitate an agreement. There were some successes. On March 12, CP Rail concluded a tentative settlement with three of its unions, representing 2,900 employees. This settlement was reached with the assistance of the federal mediation and conciliation service. If that settlement is ratified, it will not be subject to Bill C-77.

Unfortunately, agreements could not be reached between the railway companies and the other unions. Briefly, most of the collective agreements that existed between the railway companies and unions expired on December 31, 1993. The exceptions are certain contracts between shop craft employees and CN Rail which expired on December 31, 1991.

Well before the expiry of the other collective agreements, the parties entered into a normal collective bargaining process in an attempt to renew those agreements. The negotiations continued even after the agreements had expired, but it soon became clear that outside assistance would be needed if the negotiations were to progress.

Requests were made to the Minister of Labour for conciliation officers. Conciliation officers were, in fact, appointed for a number of disputes, beginning on February 18 of last year with the appointment of a conciliation officer for CN Rail and the Brotherhood of Maintenance of Way Employees in their negotiations.

Generally speaking, the conciliation officer process did not prove successful. The conciliation officers, upon the conclusion of their efforts, presented their individual reports to the minister. Largely on the basis of those reports, a conciliation commissioner, Mr. Allan Hope, was appointed in November 1994. He met with the parties, he examined their submissions and then presented his own report last month.

• (1500)

Although Mr. Hope did not evaluate their negotiating positions, he did conclude:

> That it was apparent that a multiplicity of hard and complex issues divided the parties, and, on the merits, their positions were defensible and understandable, albeit in diametrical opposition.

Mr. Hope made it clear in his report that what made the negotiations complex and difficult was the firm and opposing positions the parties were taking on the issues of employment, security and work rule flexibility.

The companies are demanding changes to reduce costs and remain competitive. They claim that many provisions of the expired collective agreements are antiquated and that ultimately at risk is the continued viability of our railway system. For the unions' part, work rule flexibility means the loss of seniority rights and the deterioration of trade training and trade skills. As for employment security, the unions argue that it is a benefit they achieved in the collective bargaining process in exchange for concessions and tradeoffs in other areas. It is a fundamental disagreement on these two issues that has resulted in the nationwide shutdown of the railways.

Honourable senators, during a short period following the presentation of Mr. Hope's report to the parties on February 22, negotiations resumed, but on March 8, the Brotherhood of Maintenance and Railways began a series of rotating strikes against CP Rail in Northern Ontario. On March 13, the company locked out the employees who participated in those rotating strikes.

On March 17, CP Rail locked out members of the CAW, who refused to cross the picket lines established by the Brotherhood of Maintenance and Railways Employees. This led to more strikes, refusal to cross picket lines, more lockouts and ultimately what we have today, which is a disruption of economic activity in every part of Canada.

Honourable senators, Bill C-77 will end that disruption and establish a process for concluding new collective agreements between all parties. The bill is divided into three parts pertaining to CN Rail, CP Rail and VIA Rail. All three parts, which come into effect 12 hours after Royal Assent, call for the immediate resumption or continuance of railway services.

Honourable senators, the bill provides for the establishment of 20 separate mediation-arbitration commissions involving the three railway companies and the various union bargaining groups. While mediation-arbitration commissions have not been used before in federal emergency legislation, the dispute resolution technique of mediation-arbitration has been used on six previous occasions. Most recently, it was used in the back-to-work legislation for the West Coast ports, which called for the appointment of a single individual as a mediator-arbitrator. It was also found in the 1991 legislation dealing with the Thunder Bay grain dispute.

However, in this case, instead of a single mediation-arbitrator, we will have commissions, as recommended in Mr. Hope's report. The appointment of the chairpersons of the commissions will be made by the minister. The employers and the unions are expected to each nominate one member to the appropriate commission. The legislation says that the minister may defer establishing such a commission where a union and a company have reached a tentative agreement. Otherwise, the commissions will be established when the act comes into force.

Within 70 days of appointment, subject to an extension by the minister, each commission is required to: mediate the matters in dispute between the parties after hearing the parties; arbitrate any issues remaining in dispute following mediation; where necessary, establish a new collective agreement; and fix the termination date of the new agreements, which shall be no earlier than December 31, 1997.

Honourable senators, nothing in the bill precludes the parties from amending any provision of the new or amended collective agreements except for the provisions dealing with their date of expiry.

The last provision is one that was talked about at length during our Committee of the Whole hearings; that is, clause 12 of the bill which provides that each commission will be guided by the need for terms and conditions of employment to be compatible with the short- and long-term economic viability and competitiveness of a national rail system, taking into account the importance of good labour-management relations. We heard much evidence on this clause. Clearly, the railways believe it will be beneficial to them, while the unions are convinced that it has the potential to prejudice their positions during the upcoming mediation-arbitration process.

As I was listening, honourable senators, I reflected that we may have been hearing a somewhat simplistic interpretation by both parties on a clause which is meant to strike a balance between the needs of the companies to remain competitive in a changing transportation environment and the duty of the unions to obtain the best possible deal for their members. A competitive and viable railway system is in the interest of all Canadians, including the railway companies, the railway workers, and their unions. A 1994 study commissioned by CN and CP concludes that the financial health of the railways depends on an improved operating margin. This requires increasing revenues, as well as reducing operating expenditures, of which labour costs are one element. However, as we have heard from witnesses on both sides in the last few days, it is only one of the elements.

That being said, clause 12 does not and is not intended to direct the commission to arrive at any particular result, neither in relation to employment security provisions nor any other term and condition of employment of railway workers. The unions and the companies will have a full opportunity to present their views to the commission on what terms and conditions of employment would be consistent with both economic viability and good labour-management relations. It is only if the parties are unable to agree on these issues during mediation that the commissions — which each include a representative of both companies and labour — will be required to arbitrate. Clause 12 directs no particular result, but it gives a clear indication of the factors which the commissions must consider in their discussions.

Honourable senators, this is a balanced and fair approach to resolving the difficult issues the parties are facing. The government hopes that during the mediation process the parties will be able to fashion a balanced agreement which provides a fair deal for the workers and enhances the ability of the railway companies to remain competitive.

Honourable senators, back-to-work legislation is never the government's preferred option in any labour dispute. However, if we learned anything from our hearings in Committee of the Whole on Thursday and today, it is that in this instance, there was no alternative in the end. Mr. Tellier agreed with my honourable friend, Senator Lynch-Staunton, that the unions and the railroads are at an impasse. Mr. Gary Fane, of the Canadian Auto Workers said:

> It was inevitable that we would end up here.

He complained that, as far as VIA Rail was concerned, "We have had absolutely no quality collective bargaining."

• (1510)

Mr. Terry Ivany, the President of VIA Rail, expressed similar pessimism, but from his company's point of view, when he remarked:

> ...I came here today reconciled to the fact that there is no hope that reasonable people can agree on a solution to a problem that we all identify.

Mr. Tim Secord, Legislative Director of the United Transportation Union, described how labour relations at VIA and CN Rail have deteriorated. He also agreed with Senator Lynch-Staunton that there is a complete impasse between employer and employees.

Mr. Rob Ritchie, President of CP Rail, said, "We continue to believe that a negotiated settlement would have been preferable to all parties, but this simply was not possible."

The testimony we heard from all the witnesses reflects the findings of Mr. Hope, who concluded that the parties are at an impasse and that bargaining has not advanced to any significant degree beyond the original exchanges of position.

The mediation-arbitration process will give the parties that fair and serious chance to come to a meeting of the minds. We have learned already from our witnesses that both sides have put forward proposals to deal with the very difficult issue of employment security. In his testimony, Mr. Ritchie of CP Rail said clearly, "We are not seeking to eliminate employment security."

After explaining how his company came to terms with three other unions, Mr. Ritchie said:

> It is arguable that the employment security package which we are trying to negotiate is one of the richest packages still available in Canadian industry. We are willing to do that in order to arrive at a negotiated settlement.

On the other side, we heard from Mr. Fane of the CAW, who said:

> On the employment security question, the union has proposed at least 10 or 11 different changes directed at diminishing the company's liability. Our people do not want to sit at home and get paid to do nothing.

There certainly appears to have been an effort to address this issue. When the mediation process established by Bill C-77 begins, the parties will not be starting from zero. There will be a real opportunity to reach a negotiated settlement. However, if mediation proves unsuccessful, then new collective agreements will be fashioned through an impartial arbitration process.

Honourable senators, there really is no other alternative to what we are being asked to do today. The parties are at an impasse. The entire country is paying the price. Through Bill C-77, we are addressing the responsibilities that fall to us when the failure of collective bargaining results in very serious harm to the national interest.

It is in this context, honourable senators, that I would urge all members of this chamber to give expeditious approval to this legislation.

**Some Hon. Senators:** Hear, hear!

**Hon. Lowell Murray:** Honourable senators, in the fifteen and one-half years that I have been a member of the Senate, this is the thirteenth time that we have been called upon to pass legislation to end a labour dispute. I introduced approximately six or seven of those bills as Leader of the Government in the Senate. Perhaps I should not admit it even at this late date, but during most of the time that I served in government, I was chairman of the ad hoc committee of cabinet on labour relations.

Thus, these bills for me, as for many honourable senators, have a familiar ring. Because the most recent such bill was passed here only 10 days ago relating to longshoring on the West Coast, the speeches on both sides of the house on these occasions also have a familiar ring to all of us.

That being said, no two cases are entirely the same. I wish to thank the Honourable Leader of the Government for her thorough presentation in which she placed before us the background and rationale for this bill and its provisions. In particular, I think it was important that she describe, as she has done, the dimensions of the economic damage done to the country by a strike of this kind, thus emphasizing the need for the government to act promptly, as it has done. I think there will be general agreement among honourable senators for just about everything she has said in this regard.

Honourable senators, there are unique and quite special circumstances surrounding Bill C-77. I intend to comment on them. First, I wish to say a word about the role of the Minister of Labour, that of the government, and that of Parliament in these situations. It is always, by law and by tradition, a positive role in the promotion of industrial peace. For the Minister of Labour, it is an activist role. Read section 107 of Part I of the Canada Labour Code which gives the minister additional powers to ensure the promotion of sound collective bargaining practices and industrial peace. Whether it is being played by Parliament, the government or the Minister of Labour, the role is always intended to be an impartial one, to be neutral as to the issues, and objective as to the parties and the issues.

Earlier, in her speech today, my honourable friend placed on the record part of the preamble to Part I of the Canada Labour Code, which is a statement of Parliament's intent and the spirit in which Parliament oversees labour relations in the federal jurisdiction. That is always intended to exclude any sense of partisanship as to the issues and the parties involved. It makes no difference whether the dispute is in the private sector or the public sector. The role of the Minister of Labour — and, for that matter, of the government and Parliament — is the same. That is to say, it is an impartial role.

It must be acknowledged, however, that there are very severe pressures on the Minister of Labour, when, for example, the employer is the department headed by her ministerial colleague the President of the Treasury Board, as happens when the dispute involves the federal public service as a party. Even when the employer is not the government directly but, rather, a Crown corporation such as Canada Post, CN Rail or VIA Rail, the Minister of Labour cannot be unaware that cabinet colleagues who have responsibility for those Crown corporations have an obvious interest in the outcome.

Then there is the overall responsibility of the cabinet and of the government for the economy of the country; there is the concern of the Minister of Finance, and others, as to the impact of any dispute and the settlement of any dispute on the financial requirements of those Crown corporations and, therefore, on his own bottom line, on the government's deficit.

All these factors were present in the current situation, as they frequently are. Now, as always, the Minister of Labour, as a result, has a delicate balancing act to perform to maintain the credibility of her own role and that of her department, as well as the impartiality and the integrity of the process. I say, and I will return to this later, that the present minister has done this very admirably in the circumstances.

The present situation facing the minister, the government, Parliament and ultimately the mediation-arbitration commissions that will be appointed under this bill, is especially complex because the main issues in the negotiating process are part of a much larger picture. That picture is the future structure of the railway industry in Canada, its place in the transportation sector, the links between that and the economic competitiveness of our country as a whole. We have had abundant evidence on these points, notably from Mr. Tellier, Mr. Ritchie and Mr. Ivany, the representatives of the railway companies.

• (1520)

It occurred to me as long ago as Thursday, when Mr. Tellier was testifying, to ask myself whether we are trying to resolve all of these longer-term questions in the course of passing a back-to-work bill. It would be dangerous for us to think that we are doing that, or to send a signal that we expect that to be done. This legislative train can only carry so much freight. We should be aware of our limitations, and of the limitations of this legislation and the process.

The larger picture to which I refer is not yet in focus. The policy framework is not yet fully settled by the government, and the railways cannot fully decide on their future course. We know that fundamental changes are coming, but we do not know exactly what they will look like.

The problem for the unions is that they see themselves as being told that they must contribute now to this process and that they must contribute substantially by making major concessions when they do not know what further changes will be imposed upon them by events in the not-too-distant future. I think their apprehension is understandable enough.

The report of the conciliation commissioner makes frequent reference to this policy vacuum, or partial vacuum — if a vacuum can be partial. He refers to the recommendations of various commissions and committees which the government has in hand, notably the 1992 report of the Royal Commission on National Passenger Transportation, the Parliamentary Task Force on the Commercialization of CN Rail, and the National Transportation Act Review Commission of 1993. These reports, says the conciliation commissioner:

> ...incorporate criticisms of certain of certain of the collective agreement provisions that are seen by analysts as a bar to what is described as a need to "rationalize" the national rail network, particularly on CN rail and particularly in Eastern Canada. What policy the Government has developed or is developing in response to those criticisms, and the impact those policies will have on these disputes, is not known by the parties and is the subject of disruptive speculation.

Again and again the conciliation commissioner returns in his report to this problem of coming changes, still unknown but bearing upon the negotiations. Thus, on page 15 he says:

> The absence in bargaining of a specific plan for rationalization, coupled with the suspicion, if not the implication that such a plan is either being developed or is under consideration, had a chilling effect on the Unions with respect to their willingness to negotiate with the Railways.

On page 55 he says:

> ...the uncertainty with respect to Government policy was a major distraction in bargaining.

On page 56 he says:

> ...none of the parties were in a position to address the implications of Government policy in terms of the collective bargaining issues raised between them. However, it was clear that Government policy could have a profound effect on those issues.

He later says:

> Vital collective bargaining questions arise with regard to those recommendations that can only be answered in the context of Government policy.

I do not know whether it is bad luck or bad timing — probably both — that this round of collective bargaining should take place at a time when change, transition and rationalization are all in the air, but the exact form that this change will take is still in the future; the policy context on the part of the government, undetermined.

This is one matter in respect of which I do not fault the Minister of Transport. I think it is clear that if Mr. Young had his way, these matters would all be resolved by now in the way he wants them resolved, and we would be well down the road to the kind of rationalization he believes is necessary. To say that he has been "jawboning" the issues is a classic understatement. In his frustration with his inability to move the system fast enough or far enough, and perhaps in his frustration with his inability to move his cabinet colleagues far enough or fast enough, he has been lashing out at labour practices which are regarded as an obstacle to the kind of railway rationalization that he wants to see.

Regardless of the merits of the minister's case, his timing could not have been worse. His rhetoric, as usual, is in many cases excessive and found to be offensive. Mr. Young has what some sports commentators call "an attitude." Whenever I think of him, the name of Chris Chelios of the Chicago Blackhawks comes to mind. One is tempted to say that the Minister of Transport is his own worst enemy, but at the rate he has been accumulating enemies, there will be serious competition for that title.

In any case, Mr. Young, the Minister of Transport, broke with the tradition of government neutrality. I counted 15 references in the conciliation commissioner's report to what Mr. Hope calls "the partisan role played by government in supporting the position of the railways." This, honourable senators, is unprecedented. This aggressive approach by the Minister of Transport turned a negotiating climate that was bad, perhaps awful, into one that was impossible. It has made the role of the Minister of Labour infinitely more difficult. It has put a cloud over this legislation and over our parliamentary debate, and it has perhaps put a cloud over even the mediation-arbitration process that will follow passage of this bill.

Honourable senators, if Mr. Young and the government really believed that they knew what the new contract should look like, especially with regard to the complex issue of employment security, perhaps they should have brought in a bill imposing a new contract. That is not something I would advise a government ever to do, but there is some precedent for it, and at least they would have had the courage of their convictions. However, honourable senators, Mr. Young and the government do not know, any better than you or I, what kind of an employment security regime will be appropriate and accepted. They do not know. The minister really should have been quiet about this.

• (1530)

We are now in a position where Parliament and the parties must put our faith in the mediation-arbitration commissions and in that process. Why, then, make that process more difficult? The unions are apprehensive that the government, Parliament, perhaps even the commissions, are not being as fair and as even-handed as tradition and the law would have it. I believe that is why the Hope report suggested a rather elaborate process in two stages, which might last as long as six months, to try to arrive at a resolution. The government decided on a shorter time-frame, but there is nothing to stop the commissions from proceeding in the way suggested by the conciliation commissioner, Mr. Hope.

The unions, are concerned about clause 12 of the bill, which I confess at another time and in other circumstances would seem to me to be quite innocuous. The unions are concerned that clause 12 has been put there to tilt the mediation-arbitration process in favour of management's argument. I must say that Mr. Tellier, with his usual candour, and Mr. Ivany and perhaps Mr. Ritchie, certainly the president of CN and the president of VIA Rail, all indicated that they think clause 12 is pretty important.

When my honourable friend, the Leader of the Government, tells us, as she told us today, that the purpose of clause 12 is to strike a balance between the approaches of the two sides, I have to tell her that that effort, so far as clause 12 is concerned, has failed. I believe it has failed because management testified on the matter here and they were in favour of clause 12, while the unions testified here were opposed to clause 12 and quite apprehensive about it. Further to that, I must say that my limited research has not indicated any similar provision in previous legislation.

Honourable senators, I hope that when Minister Robillard is here for Committee of the Whole she will make her position clear on this matter and give the necessary reassurances as to the neutrality, the objectivity and the impartiality of the process to be launched by this legislation. In this connection, we have had a reasonably good start with the assurances of the Leader of the Government as given in her speech.

I do think, honourable senators, that it is important to state that the Department of Labour's excellent reputation for fairness and impartiality has been maintained throughout this difficult period. The conciliation commissioner, reporting to the former minister, Mr. Axworthy, stated as follows:

> I can confirm that you and your officials have maintained the traditional posture of strict neutrality and objectivity in dealing with the disputes. In fact, your officials, under what I know to be your direction, proved to be of great assistance and guidance to the parties and to me in what must have been very trying circumstances. I want to say in particular that Warren R. Edmondson, Director General of the Federal Mediation and Conciliation Service, and T. G. Hodges, Regional Director, FMCS, facilitated and coordinated the Commission proceedings, all the while retaining a clear sense of propriety and scrupulousness consistent with the role of the ministry and the standards required to maintain the credibility of the process.
>
> Mr. Edmondson seconded Mr. Hodges to the Commission for the duration of its proceedings and did so with an appreciation for the confidentiality imposed on Mr. Hodges that required him to be released from his usual reporting responsibilities. It quickly became apparent that Mr. Hodges, who has an extensive background in the mediation and conciliation role in the railway industry, enjoys the trust, respect, and high regard of all of the parties, a circumstance which speaks positively for the standards your Ministry has been able to maintain through what I am sure has been troubled times.

This is quite high praise from Mr. Hope. I am sure it is well deserved. I think it is important to place that on the record, especially in view of the other circumstances to which I and others have referred, notably the damaging interventions of Minister Young in this matter.

Honourable senators who were here on Thursday for Committee of the Whole will recall that Mr. Fane, representative of the Canadian Auto Workers, made a point of expressing confidence in the new Minister of Labour's integrity, openness and fairness. I saw in yesterday's newspapers that two other union leaders, Mr. "Buzz" Hargrove, also of the CAW, and Gary Housch, the vice-president of the Brotherhood of Maintenance of Way Workers, were quoted in the same vein with regard to the new minister, Madam Robillard. This is of great importance for if ever the parties lose confidence in the impartiality of the minister, the department or the integrity of the process, we will be in dire straits indeed.

Honourable senators, in voting for this bill, we are not voting for a railway rationalization plan which is still a matter of future policy. We are not voting on the privatization of CN Rail because there is no such proposal before us. We are not voting for changes to the configuration of VIA Rail because these have not been decided. We are not asking the mediation-arbitration commissioners to anticipate these developments or to prepare the way for them. This would be too great a burden to place on these commissions and on this process.

I hope it may be possible, honourable senators, for these commissions to achieve a greater measure of consensus on some of the changes that are necessary to bring about the restructuring which we all know is inevitable and to do so in a way which ensures the long-term health and viability of the industry. However this cannot be done by fiat. It can only be done over time. It requires that the entire policy framework be established so that the parties and the public will be able to plan and act coherently.

**Hon. Senators:** Hear, hear!

**Hon. H.A. Olson:** Honourable senators, I have a question regarding the Honourable Senator Murray's presentation. At the beginning of his speech, he made what I think is an extremely important assertion. He repeated several times that the government, the opposition, the railway companies and the unions really do not know and have not demonstrated what the fundamental changes in railroading in Canada are likely to be. Therefore, the unions are very apprehensive as to what their share will be in coming to an agreement.

• (1540)

You have acknowledged that all of this is true and that we are not quite sure what to expect. Would the honourable senator give an undertaking to join with other senators in determining the future of railroading requirements for Canada?

**Senator Murray:** Honourable senators, I would be glad to do that if the Senate wishes to embark on such an undertaking. I must observe, however, that the government does not lack for recommendations, including recommendations of parliamentary committees and royal commissions on the future profile of the railway industry and, indeed, the transportation sector.

[ Senator Murray ]

**Senator Olson:** There are many recommendations, but in order to put a package together, you must accept some recommendations and reject others. We must do that and do it fairly soon, or we may find ourselves without a comprehensive structure in the railway system of Canada. Would the honourable senator help us? Obviously he has had a lot of experience, as chairman of the committee, in cabinet, and in observing the situation since.

**Senator Murray:** Honourable senators, again, there is a lot of interest in these matters on both sides of the chamber. I am sure we would all be well disposed to taking part in any inquiry that looked like it might help resolve some of these issues.

**The Hon. the Speaker:** It was moved by the Honourable Senator Fairbairn, seconded by the Honourable Senator Graham that, with leave of the Senate and notwithstanding rule 58(1)(*f*), this bill be read the second time now.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE OF THE WHOLE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I move that the bill be referred to Committee of the Whole.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

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CONSIDERATION IN COMMITTEE OF THE WHOLE

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on the bill, the Honourable Eymard G. Corbin in the Chair.

**Senator Fairbairn:** Honourable senators, I would ask that the Honourable Lucienne Robillard, Minister of Labour, be invited to participate in the deliberations of the Committee of the Whole.

**The Chairman:** Is it agreed?

**Hon. Senators:** Agreed.

Pursuant to rule 21 of the *Rules of the Senate*, the Honourable Lucienne Robillard, Minister of Labour, was escorted to a seat in the Senate chamber.

**Senator Fairbairn:** Mr. Chairman, I welcome once again the Minister of Labour to our midst. We are delighted to have you here, but we are sorry that it is so soon after your last engagement. We hope that with all your efforts in this portfolio, we will watch you from afar and not frequently in this chamber. We are glad to have you. Perhaps you could introduce your officials to the senators.

**The Chairman:** Honourable senators, the Senate is in Committee of the Whole on Bill C-77, an act to provide for the maintenance of railway corporations and subsidiary services.

Shall the title be postponed?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause one, the short title, be postponed?

**Hon. Senators:** Agreed.

**The Chairman:** The committee is now on clause 2.

[*Translation*]

Madam Minister, would you care to make a statement?

**Hon. Lucienne Robillard (Minister of Labour):** Perhaps just a few words to say that I was very disappointed when, as the Minister of Labour, I had to bring in back-to-work legislation a second time, this time for the railway sector.

We all know that the bargaining process in this sector is extremely complex and that negotiations had been going on for many months, in fact, more than a year. Since the majority of the collective agreements had expired by the end of December 1993 and the parties usually start negotiating before expiration of the agreement, we had since that time made every effort to give the parties the support they needed to reach an agreement.

First, a conciliator was appointed to help the parties negotiate, but we did not get any tangible results. Subsequently, a conciliation commissioner, Mr. Hope, was appointed last November. For several weeks, Mr. Hope tried to reconcile the parties. His report was transmitted to the parties on February 10, 1995.

After that, we continued our efforts to help the parties negotiate an agreement. From the very beginning it was clear the unions wanted to put pressure on Canadian Pacific only. They started rotating strikes in Ontario and later in other provinces. However, there was no such action at Canadian National or VIA Rail.

At this point, I made it very clear to the parties that I did not intend to bring in back-to-work legislation, since operations continued. During that time, an agreement in principle was reached between Canadian Pacific and three unions representing more than 3,000 employees. At that point, I had reason to expect that they would manage to negotiate with the other unions as well. However, that was not the case. Negotiations have reached an impasse.

I met with the parties after all work stopped at Canadian National and VIA Rail last Saturday. On Sunday afternoon, this time last week, I met officials from the three railway companies and representatives of the unions involved — to ask them if they could not come to an agreement on each of the issues dividing them or at least agree on the dispute resolution process that would be binding on them, to prevent me from having to bring in legislation. Unfortunately, the parties did not reach an agreement, and thus this bill had to be introduced.

Mr. Chairman, this bill forces the resumption of railway operations at all three companies within 12 hours of the bill receiving Royal Assent and provides for the appointment of an arbitration commission in respect of each of the bargaining units. The new feature introduced in this bill is the fact that there is not only one person, a mediator-arbitrator, but three persons in the commission: a president appointed by the minister and one representative from each of the two parties. This is an all new process.

This could bring the parties together and allow mediation to succeed because mediation is the first step before the commission has to make an arbitration decision on the matters in dispute. Once it is appointed, this commission has 70 days to achieve concrete results. We deemed it necessary to formulate guiding principles for this commission. We mentioned that throughout the mediation and decision-making process, the commission must take into account the economic viability and competitiveness of the business, as well as the importance of good labour-management relations. This is a new labour relations provision.

We have always thought that the mediator-arbitrator had to take these two elements into account in his decisions. I think it is always better for legislators to clarify their intentions, as we did in this bill.

Mr. Chairman, I will not belabour the consequences of this work stoppage which started one week ago. The economic consequences are enormous in every line of activity which depends on the Canadian railway system. Indeed, not only are the railway system, workers and employers affected, but also the industries which rely on that system to get the materials they need to operate.

The economic impact is enormous everywhere in the country. In the case of VIA Rail, the situation has an impact on passengers, particularly those who commute on a daily basis. Under the circumstances, and considering the enormous impact on the Canadian economy, the government had no choice but to introduce this back-to-work legislation.

I urge the parties to try to find a solution to the dispute. Clause 10(8) of the bill allows the parties to reach an interim agreement, or at least to agree on the conflict resolution process, which would make it unnecessary to establish a mediation-arbitration commission.

These are the main elements of the legislation. I will be pleased to answer any questions.

**Senator Lynch-Staunton:** Again, we welcome you, Madam Minister, even though you are here for the same reasons as two weeks ago. It is always a pleasure to welcome a member of the cabinet. You seem to have found solutions or proposals that are slightly different from those in Bill C-74.

[*English*]

• (1550)

As you know, a few days ago we had witnesses representing the employers and the unions. As well, two union representatives have appeared today, all of which has given us an opportunity to discuss the principal grievances with them. In totality, the situation is most disturbing. There is an absolute impasse

between the two parties. The parties themselves are not completely unanimous internally. That being the case, there is still a major impasse and a chasm which must be breached somehow. I would like your comment on whether the role of government is one of the reasons for the poor atmosphere that exists in the labour negotiations.

[*Translation*]

All I will do is quote —

[*English*]

Senator Murray has already alluded to this in his second reading speech, but I would like your comment on the validity of this comment by Mr. Hope. It states on page 53, paragraph (*a*):

> The controversial and provocative aspect of the demands is found in the partisan role played by Government in supporting the position of the Railways and the tenacity with which the demands have been pursued.

My question is this: Do you agree with Mr. Hope that the government has played a partisan role?

[*Translation*]

**Mrs. Robillard:** I think it has always been obvious that the government wanted to maintain a viable and competitive rail system in Canada. At the same time, they believed that collective bargaining was the best way to settle disputes.

I think that the two sides of my reply are not at all contradictory. All efforts were made to help the parties reach an agreement. Mr. Hope was very clear on that point when he said that this industry is a very complex one. Even as commissioner and conciliator, he could not make specific recommendations on each point at issue. Instead, he made recommendations on the process itself and said it would be better for the parties themselves to find a solution to each point in dispute.

I think governement actions show that we agree entirely with this philosophy.

**Senator Lynch-Staunton:** That does not answer my question. On page 58 of the French version, paragraph *a*), Mr. Hope describes the provocative aspect of the demands of the railways, whih he blames on the partisan role played by the government in supporting their position.

Mr. Hope is telling us in a very straightforward manner that the Government of Canada supported the demands made by the railways from the very beginning. Is Mr. Hope right in saying so?

**Mrs. Robillard:** You know very well that, as Minister of Labour, I never sided with unions or management. I have always tried to act impartially, and it was never intended to rule on the demands of the companies or those of the unions.

Therefore, I do not accept the allegation that the government sided with company management. I feel it is important to always remain impartial and to do everything necessary so that both parties can reach an agreement. It is always very difficult for someone to pass judgement without having taken part in the bargaining process.

• (1600)

**Senator Lynch-Staunton:** I do not wish to insist, Madam, but you have not answered my question.

No one is questioning your neutrality, you have only been here for a few weeks. This dispute has been going on for months. Mr. Hope, who was asked to study the issue, handed in his report on February 6, before you were sworn in. What I am asking is this: Having reviewed the matter, do you agree with what he says in sub-paragraph (*e*) on page 75? He says:

> What is new is the aggressive stance of the government with respect to those issues and the implication that government policy favours the railway to the point of contemplating the imposition of the terms sought if they cannot be achieved in bargaining.

**Mrs. Robillard:** Mr. Chairman, I think you have before you proof in the form of the bill being studied that the government does not wish to impose working conditions for each matter still to be settled.

Furthermore, the government also does not take a stand on the issue of whether the principle of job security for workers should be re-evaluated. I can only conclude that the government has remained faithful to its policies, which are to put faith in the collective bargaining process and to keep the railways viable and competitive.

[*English*]

**Senator Lynch-Staunton:** This law is more important than any interpretation, accurate or not, of what Mr. Hope says. You are not denying directly that there was partisanship on the part of the government during at least part of the negotiations. I hope we keep that in mind whenever a similar problem arises.

I should like to go to clause 12 of the bill, to which you have referred, which states that under any proper negotiations, the commissioner or the arbitrator must look into economic conditions. That is there in case he forgets.

How do you explain the fact that the unions are adamantly opposed to clause 12, while the employers are enthusiastic about it? If it is taken for granted, then why would the unions ask us to take it out, if we had the power to do so, while the employers practically pleaded to keep it in? It seems by that attitude that one party is slightly more favourable than the other.

[*Translation*]

**Mrs. Robillard:** Mr. Chairman, since this bill was tabled in the House of Commons, I have heard a number of different interpretations of clause 12. The interpretations have come from management, the union and the Bloc Québécois in the House of Commons.

I must say that in listening to these different interpretations, I had the impression that people did not really understand the intent of the legislator. Allow me to explain a little why we introduced this clause.

I think everyone knows that the best job protection possible is the certainty that the employer is competitive. I think everyone agrees with this.

Clearly, today's most successful companies are those that are competitive without losing sight of the importance of properly managing their human resources.

In the context of human resources management, this also means harmonious labour-management relations, as demonstrated, I think, by these competitive companies.

We are also very aware that various internal and external factors can affect the economic viability and competitiveness of a business. These factors may have to do with the quality of management or the financial management of a business, railway regulations or the economic environment in which a business operates. All these factors affect the viability and competitiveness of a business. We must not forget, however, that employment conditions are among these factors.

In this case, what we, as legislators, tried to do in clause 12 is to clearly indicate to both parties that they must come to terms with these realities.

This clause has been misinterpreted. It does not require the commissions to achieve specific results with regard to job security clauses, for example, or any other employment conditions.

I think that there is nothing keeping the unions and the employers from telling the commission what employment conditions, in their opinion, are consistent with economic viability and good labour-management relations.

No goals have been set. The factors which the commission must take into account in its proceedings and decisions are identified.

We must never forget that the duty of the commission is first and foremost to try mediation before resorting to arbitration.

The fact that not only the economic viability and competitiveness of the business but also the importance of good labour-management relations must be taken into account is, I think, fair to both parties.

That is what clause 12 means. I cannot understand how one can infer from this clause that the legislator is bent on taking away the workers' security of employment.

If that is what a company head construed it to mean, he is wrong. Similarly, if a union leader gave it the same interpretation or if anyone thinks that working conditions can be set without taking into account the economics of the company, I think they are deluding themselves, particularly in today's business environment.

The point is, Mr. Chairman, that when issues are referred to it in the future, the arbitration board should take these two factors into consideration.

**Senator Murray:** I have a supplementary question, Mr. Chairman.

The problem, Madam Minister, is that, for many of us, this is the first time we see such a mandate included in this kind of bill.

Are there precedents?

**Mrs. Robillard:** There are none, senator. It is something new.

**Senator Lynch-Staunton:** When speaking at second reading, the Leader of the Government did refer to a report submitted by CN and CP saying that unless their operating costs could be brought under control, the future of the railway industry in Canada would be in jeopardy; and under operating costs are labour costs.

Clause 12 arose from this report, if I am not mistaken. We are entitled to think that it is there for the employers rather than for the employees. At any rate, it is my impression.

I have two more questions. Usually, in back-to-work legislation, reference is made somewhere to the conciliation commissioner's report.

[*English*]

• (1610)

Bill C-74 states that if mediation fails, then the arbitrator must take cognizance of the conciliation report. In Bill C-77, by not being mentioned, it is dismissed out of hand. Surely there are many things in the Conciliation Commission report that could be of great value. It is all very well to say that they will take them into consideration, but clause 12, you state, was always there, although it was never written. Why do we not specify that the report must be considered at a certain stage?

[*Translation*]

**Mrs. Robillard:** Mr. Chairman, as I said, clause 12 was not written in to assist employers. I want to be very clear on that issue.

As minister responsible, who gave instructions on the drafting of the bill, I want it to be very clear for the honourable members of this house that this was not our goal.

The goal was to provide for balance, when decisions affecting labour relations are made, between good union-employer relations and the viability of the enterprise.

I think that an arbitrator making decisions that would threaten the survival of a firm would not help the workers either. It is with that in mind that this clause was drafted.

As for the second part of the question, that this bill does not require reading the Hope report, unlike the bill we examined a while ago on the ports of the West Coast, and the report of the commissioner-conciliator on the West Coast ports — which contained very specific recommendations on how to settle each aspect of the dispute — there are no recommendations on each aspect of the dispute. The recommendations focus on the process instead. This is why we did not think it was necessary to include such a clause in the bill.

[*English*]

**Senator Lynch-Staunton:** Clause 16, which I think is also new for back-to-work legislation reads:

> No order shall be made, no process shall be entered into and no proceeding shall be taken in any court
>
> (*a*) to question the establishment of the Commission or the appointment of any member of a Commission or;
>
> (*b*), to review, prohibit or restrain any proceeding or decision of a Commission.

Therefore, decisions of the commissions are final. No matter how they are arrived at or whether or not they follow their mandate, there is no appeal. Is that correct?

[*Translation*]

**Mrs. Robillard:** This clause is inspired by section 86 of the Canada Labour Code which contains a similar provision for conciliation commissions. When we consider the situation as such, we realize that the mechanism of mediation-arbitration commissions is also unusual in that this is the first time we will have an arbitration commission consisting of three members. The mechanism is far more complex and the time allowed is very short, it is only 70 days.

The purpose of this clause is to prevent anyone from starting dilatory legal proceedings that might paralyse the work of the commission. However, there is always a possibility for the courts to intervene with a judicial review, if the rules of natural justice are violated or a jurisdiction is manifestly exceeded.

Hence, it is always possible to appeal to the courts. However, considering the complexity of the situation and the new mechanisms we are using in this bill, we felt this clause was necessary.

[*English*]

**Senator Lynch-Staunton:** I do not understand — unless the government is on a "no access to the courts" kick — why the complexity of a problem is grounds for refusing the assistance of a third party in case of a dispute? If that is the only reasoning — the problem is complex, therefore give complete discretion to those to whom we entrust with finding a solution and forget any outside review — it is certainly a strange way of bringing the parties together.

It is very clear.

> No order shall be made, no process shall be entered into and no proceeding shall be taken in any court.

[*Translation*]

In French, it reads as follows:

> Il n'est admis aucun recours ou décision judiciaire visant à ...

[*English*]

Everything is covered in (*a*) and (*b*). There have been complex problems before which have been touched by back-to-work legislation.

The complexity in this matter is influenced by the fact that the government intervened openly and rudely in the early stages and brought in a bias in favour of the employer. There are clauses here which appear to favour the employer. Then they bring this in and plead complexity in order to refuse any ability, in case a commission does not follow its mandate or goes beyond its mandate, for a court to at least hear whether there is any substance to the claim.

[*Translation*]

**Mrs. Robillard:** Mr. Chairman, my colleagues tell me that privative clauses do exist. They can be found regularly in many acts, including the Canada Labour Code, in order to protect the finality of the decisions rendered by the Canada Labour Relations Board, for example, or by grievance adjudicators. Therefore, they may be used in legislation.

I will say again that given such a clause, a proceeding for judicial review is always possible.

[*English*]

**Senator Lynch-Staunton:** If we have time, perhaps we can come back to that point.

**The Chairman:** I do have a number of names on the list. You have been speaking for over 20 minutes.

**Senator Lynch-Staunton:** I apologize.

**The Chairman:** You do not have to apologize, but the normal rule is 10 minutes for each senator. You can come back as often as you wish, but I think perhaps at this stage we ought to move on.

**Senator Stewart:** As I understand your bill, Madam Minister, we could end up with 20 commissions. However, I am assuming that the intention is that there will be an overlap of personnel. How many chairpersons do you anticipate you will appoint?

[*Translation*]

**Mrs. Robillard:** Exactly, senator. Theoretically, the bill provides for the establishment of 20 commissions. Why? Because there are seven bargaining units at Canadian National, seven at Canadian Pacific and six at VIA Rail — 20 bargaining units in total. So that each party can be represented in the process, employers as well as unions, we provided for 20 commissions.

However, the bill allows for the appointment of only one chairperson or three. For example, in the case of Canadian Pacific, one person could represent the employer. As for the union, the same person could represent two bargaining units. This is more or less how we think these commissions could operate.

The bill is quite flexible in that it allows for the appointment of one, two or three chairpersons.

[*English*]

**Senator Stewart:** Clause 12 relates to CN Rail. There are similar clauses for CP Rail, number 34, and one for VIA Rail.

Madam Minister, you just now told the committee that it was not your intention that either of the considerations mentioned would be dominant. Now let me give you my impression of how I would interpret the message of Parliament in clause 12 if I were one of your commissioners. Clause 12 states:

• (1620)

> Each Commission shall be guided by the need for terms and conditions of employment that are consistent with the economic viability and competitiveness of a coast-to-coast rail system in both the short and the long term...

Taking into account the importance of good labour-management relations, at least in the English version the emphasis is on the first part — it "shall be" guided by the requirement for economic viability and competitiveness. Then we have "taking into account," which of course is adjectival.

Let me ask you first, why do you use the expression "a coast-to-coast rail system"?

[*Translation*]

**Mrs. Robillard:** The main goal is to have a viable and competitive coast-to-coast rail system. For a system to be competitive, several elements must come into play. At the same time, good management of human resources, resulting in harmonious labour-management relations, is a must.

I know very few businesses which can stay in operation for a long time without good management of human resources. Therefore, human resources management is a part of competitiveness.

[*English*]

**Senator Stewart:** Excuse me, minister, but would you please focus on my question? Why use the phrase "coast-to-coast"? I assume one meaning may be that you do not want each region to be dealt with independently. Is that what you mean by the phrase "coast-to-coast"?

[*Translation*]

**Mrs. Robillard:** I believe it is clear that Canadians want a coast-to-coast rail system. We do not want to favour one region over another. We want to maintain the current system.

[*English*]

**Senator Stewart:** Does this exclude the U.S. portions of the remaining systems? When you use the expression "coast-to-coast," I immediately think of the old concept of east to west within Canada. It seems to exclude those parts of the systems which are south of the border. Is that intended?

**Senator Doody:** Or parts of Canada that do not have a railway system.

[*Translation*]

**Mrs. Robillard:** Honourable senators, I have difficulty grasping the meaning of the question. First and foremost, I am referring to the system which we presently have in Canada. I am saying that we must maintain our coast-to-coast system.

[*English*]

**Senator Stewart:** Could you tell us what you mean by "long term"? Is that three years, five years or seven years? These are the terms of the commission's authorization. What does the word "long" mean in this context?

[*Translation*]

**Mrs. Robillard:** Honourable senators, clearly we do not want our Canadian railway system to survive only in the short term. When we say "long term," we mean many years from now. We want this system to remain. We want it to survive and I do not intend to put a limit to what I mean by "long term." It seems to me that it is quite clear.

[*English*]

**Senator Stewart:** The commission must look ahead and impose terms and conditions which will be consistent with competitiveness for an infinite period of time. Is that not a rather difficult assignment?

[*Translation*]

**Mrs. Robillard:** Honourable senators, the mediation-arbitration commission will first try mediation, successfully I hope. If it has to rule on work conditions, we have clearly indicated that the collective agreement will be effective until December 31, 1997, at least.

Should the commission rule that the new collective agreement will be valid until December 31, 1997, I hope that in future, for subsequent collective agreements, the parties will come to an agreement. You know that railway companies and their unions managed to sign collective agreements before.

Let us take one step at a time. We are aiming for a three-year collective agreement.

[*English*]

**Senator Stewart:** The immediate date of expiration can be no earlier than December 31, 1997. However, in a situation where the chairperson decides the terms of the agreement, what is the outer limit? Is it five years after December 31, 1997, or two years or one year or ten years? Parliament is giving tremendous power here. It would be nice to know how far it reaches into the next century.

[*Translation*]

**Mrs. Robillard:** There is no limit indicated in the bill. That is very clear.

[*English*]

**Senator Stewart:** That is what I feared.

[*Translation*]

**Mrs. Robillard:** If I may, I will complete my answer. As for the way mediators-arbitrators were used in the past, in terms of limit, they were usually limited to the time frame specified in the act. That is the minimum. Our collective agreements usually are for three or four years.

• (1630)

**Senator Kinsella:** Madam Minister, I wonder if you could explain the relationship between clause 10(8), which you mentioned in your presentation, and clause 32(8).

**Mrs. Robillard:** They are exactly the same. That is because the bill is divided into three parts: the first one deals with Canadian National, the second one with Canadian Pacific, and the third one with VIA Rail. The clauses are exactly the same, except for the bargaining units, which are identified at the beginning of each part.

[*English*]

**Senator Kinsella:** Madam Minister, with regard to the TCU, the IBEW and the RCTC, which I understand have reached a tentative agreement, can you guarantee us that you will wait before appointing a commission, at least until the ratification date set by those agreements has been reached? We were told it will be no later than April 26.

[*Translation*]

**Mrs. Robillard:** Honourable senators, if the ratification date is April 26, as the unions and the company have indicated, yes, I can give you my word that no mediation-arbitration commissions will be appointed.

[*English*]

**Senator Lynch-Staunton:** Would that also include the expiry date of the contract? It does not coincide with the expiry date in the legislation before us.

**Mrs. Robillard:** Yes.

**Senator Kinsella:** Therefore, if those agreements are ratified and they provide an expiry date of December, 1996, notwithstanding this legislation, that will be the expiry date for those contracts, not December 19, 1997, as provided for in the bill.

**Mrs. Robillard:** Exactly.

**Senator Kinsella:** Returning to clause 12 and taking into consideration the economic viability, will the commissions have authority to demand from the parties all data which the commissions deem necessary in order for the commissions to measure economic viability, whether that would mean looking at the books of the companies or looking at data surrounding the demands of the employee groups? What power will the commissions have to help them measure economic viability?

[*Translation*]

**Mrs. Robillard:** Honourable senators, the commissions will have that power. Their powers are mentioned in clause 13 of the bill: first, the power to obtain all the information they consider necessary; and second, if they so desire, to engage the services of technical advisers and other experts and assistants to help them carry out their mandate.

[*English*]

**Senator Kinsella:** Are you looking for additional information?

**Mrs. Robillard:** No, that is fine.

**Senator Kinsella:** During our prestudy of this matter, we heard from witnesses who expressed a fair degree of distress throughout the negotiating process. They said that throughout the discussion, the Minister of Transport, Mr. Young, had interfered with the bargaining process by way of inflammatory comments. They gave examples.

We also heard from witnesses who felt that you have done an excellent job in maintaining the neutrality appropriate for the Minister of Labour. We laud you for that. However, you represent the government. In the minds of the parties, you have a colleague who has interfered in a biased and inflammatory manner.

We are using the extraordinary power of the state to interfere with the normal collective bargaining process in the name of public interest, which you as a member of government are responsible for measuring. We understand that. However, can

you give this house some assurance, so that those witnesses will have some degree of comfort, that the Minister of Transport will not further interfere in the collective bargaining process in an inflammatory fashion?

[*Translation*]

**Mrs. Robillard:** Honourable senators, it is clear that the mediation-arbitration commissions operate completely at arm's length from the government.

I may add that in order to further guarantee the neutrality and impartiality of the chairpersons of the commissions, the chairperson is appointed by the Minister of Labour and the two other parties each appoint a representative. I intend to appoint members of the judiciary as chairpersons of the commissions to ensure that we have the requisite neutrality and impartiality during the commissions' proceedings.

[*English*]

**Senator Kinsella:** Are you in a position to reassure this chamber that you will not be consulting whatever with those candidates you will be appointing?

**Senator Lynch-Staunton:** I think they all have jobs by now anyway.

[*Translation*]

**Mrs. Robillard:** The appointment of chairpersons is the exclusive responsibility of the Minister of Labour.

**Senator Murray:** I have only one question. I would like to go back to a question asked earlier by the leader of the opposition regarding the absence in the bill of any provision requiring the mediation-arbitration commissions to take into account the report by Commissioner Hope. You replied that Mr. Hope had not made specific recommendations on the issues in dispute.

However, I note that Mr. Hope provided a rather extensive and balanced analysis of the differences separating the parties. I find the commissioner's report very useful.

I would ask you if you agree that the mediation-arbitration commissions would do well to take into account Commissioner Hope's report, without being legally obliged to do so.

**Mrs. Robillard:** I believe that Senator Murray has answered his own question. Any chairperson is perfectly free to read the Hope report, which is in the public domain. There is no obligation, however, to take it into account in the arbitration decision.

I assume that whoever is appointed chairperson will certainly read the Hope report. You can see that in the bill before us, the Hope report has also influenced the legislator — with respect to the composition of the mediation-arbitration commission, for instance.

• (1640)

**Senator Beaudoin:** My question relates to clause 16, the clause prohibiting proceedings.

You said that this clause was used in other legislation, which is true, but that it would not prevent a court process if, for example, something was against fundamental justice or beyond the mandate of the jurisdiction involved. If this is correct, I have really no problem with clause 16, because if a commission were to go beyond its mandate and against fundamental justice, the matter could be taken to court according to labour law precedents.

**Mrs. Robillard:** Mr. Chairman, this is exactly what my legal adviser, Pierre Hamel, was saying.

**Senator Murray:** Mr. Chairman, a supplementary question.

Could you give us the particulars of previous bills where such a clause appears?

**Senator Beaudoin:** You referred to the Canada Labour Code, did you not?

**Mrs. Robillard:** For example, for grievance adjudicators — and my legal adviser tells me that in their case the clause prohibiting proceedings is even stronger — or for the decisions of the Canada Labour Relations Board, there is a prohibiting clause.

**Senator Beaudoin:** In any case, there are precedents.

[*English*]

**Senator Andreychuk:** Madam Minister, you have said that you believe the process will be fair to both employees and management. However, the Hope report has pointed out some difficulties. Minister Young has created difficulties. A simple reading of clause 12, rather than a legalistic one, indicates that the process is weighted in favour of the economic viability of the operations rather than in favour of what I perceive back-to-work legislation is supposed to be about, that is, an agreement on the employee-employer relationship.

I returned only minutes ago from the west. Most of the workers on the railway there are convinced that because of these previous actions, and particularly because of the wording of clause 12, the process is weighted in favour of management rather than the employees. Consequently, they think it is not a fair process.

How will you counteract that assertion? I know you have said that you have a certain interpretation of clause 12, but you will not be the commissioner. You will simply appoint the commissioner. How will you dispel that attitude of workers out west, keeping in mind that Canadians universally want the railways to resume operations quickly?

[*Translation*]

**Mrs. Robillard:** The sought-after goal, which is a viable and competitive rail system, is shared by both labour and management.

The means to reach this goal may differ. However, I do believe that labour is in total agreement with the goal being sought, which is a viable and competitive rail system. This may be the best way to protect jobs in the long run.

Regarding the interpretation to be given to clause 12, which is entirely new, I do hope that the members of every commission will read the official report of the debates to be apprised of the legislator's intent.

Earlier today, in the House of Commons, at the third reading stage of the bill, I explained the goal the legislator is pursuing in clause 12. I believe the commissions can be guided by the statement I made during the debate in the House of Commons.

The last point I would like to make is that I do understand the concerns labour has regarding this clause. I am fully aware of them. I believe that each commission chairperson will have to be very carefully selected and that the expertise of commission members will be crucial. I can assure the members of this house that I will take particular care in the selection of those who will be called to chair these commissions.

[*English*]

**Senator Andreychuk:** With regard to your interpretation of clause 12, I remind you of what Senator Stewart said. You are putting economic viability first and taking into account the good labour-management relations. However, what if your interpretation that this is a fair balance is not that of the commissioners? Their interpretation may be the same as mine; that is, that economic viability comes first. There is also clause 16. How do you conclude that a commissioner would accept your interpretation of clause 12 rather than mine? How do we overcome that impasse in light of the structuring of clause 16 and the Canada Labour Code?

**Mrs. Robillard:** As far as clause 16 is concerned, I had the opportunity to clarify its impact and consequences.

As for clause 12, it is also clear to me that several factors, other than just employment conditions, have an influence on the viability and competitiveness of a company. There are several factors, and I certainly do not think that employment conditions are all that matters.

As I mentioned earlier, there is the quality of management — the financial management of the company. The nature of the company is even a factor. The whole field of regulation in the rail sector and Canada's economic environment are among the factors that have an effect on the competitiveness of the company. Included in these factors are conditions of employment. For a company to remain competitive, it is essential that it manage its human resources well. I would see that as interrelated.

Again, when you look at clause 12, there is no specific direction given to the commission regarding the issues in dispute between the employers and the unions. There is no requirement that job security be abolished so that the business can be economically viable. This is not what clause 12 says. If a company director reads this into it, he is mistaken.

Some companies are economically viable and have job security, so that conclusion is not automatic. In his deliberations or when arriving at an arbitration decision, a mediator-arbitrator must take both these factors into account. Nor can he ignore the viability of a company, because if the employment conditions are such that the company goes bankrupt, I do not think that anyone will be any further ahead.

[*English*]

**Senator Andreychuk:** I must admit that when I first read clause 12, I did not have as much difficulty with it as I do now that I have started to understand the railway sector. The dilemma is that we do not know what constitutes economic viability of a rail system in Canada. That has plagued us for decades. We are trying to move this system, which started with steam engines, into the 21st century.

• (1650)

Madam Minister, you will be asking the commissioner to determine what the economic viability of a rail system is from coast-to-coast, et cetera, long term and short term, when in fact the managers of the respective railways have not come to a definitive agreement or understanding of what that means, nor have we in public policy. Economic viability depends very much on what we want the railway to do. Those are government issues that have not been answered yet. How will the commissioner be able to handle this monumental task? That is yet to be explained to me.

You have the respect and confidence of the union and the management by taking a hands-off, neutral approach while remaining supportive. I give you my compliments on that. However, I would have hoped that you would have given the commissioners that same hands-off competence to interpret clause 12 as creatively as they can, because that is the only way this clause will work.

Today you have indicated what you believe clause 12 says. I find it difficult to understand how the commissioner will be able to handle this situation in a fair, uninterrupted or untampered way so that union and management will be assured that their problems will be resolved in a neutral environment.

[*Translation*]

**Mrs. Robillard:** Mr. Chairman, I do not have anything to add to the comments I have already made on this issue. I will only say that, right now, both the unions and the employers are concerned about economic viability. This is not a new issue for the unions, nor for management. Their interpretation may differ, but their concern is the same.

I do hope that they can express their respective views before the commissions and that the commissions will propose fair solutions.

[*English*]

**Senator Andreychuk:** Are you giving the assurance that it will be the commissioners who will ultimately interpret clause 12?

[*Translation*]

**Mrs. Robillard:** Yes, absolutely.

[*English*]

**Senator Lynch-Staunton:** There were amendments in the House confirming that all three agreements come into effect 12 hours after Royal Assent. In the original text, only CN Rail was liable for immediate return. CP Rail and VIA Rail would be left up to the minister. Why was there a change in your calendar? What prompted you to have two different dates? Why was it decided to make the dates uniform?

[*Translation*]

**Mrs. Robillard:** You are quite right when you say that, in the initial bill the return-to-work order going into effect 12 hours after Royal Assent only applied to Canadian National. In the case of Canadian Pacific and VIA Rail, it was to be at a time set by Order in Council.

I must say that when I tabled the bill in the House, I thought it would pass very rapidly with the support of the Bloc Québécois. This, however, was not the case. This past week, the situation at Canadian Pacific continued to deteriorate.

I introduced amendments to the bill before the committee after receiving a clear indication that Canadian Pacific was forced to stop its operations on other lines. Since the beginning of the strike, Canadian Pacific had managed to maintain its services by using foremen. However, as early as Wednesday, the company had to stop other lines which were operating and made it very clear that within three or four days it would no longer be able to keep any lines in operation. It then became clear that no lines would remain in operation. This is the reason for the changes I introduced.

[*English*]

**Senator Lynch-Staunton:** You have agreed that if the ratification vote on April 26 confirms the agreement between the TCU, IBEW and the RCTC with CP Rail, the government will respect that agreement. However, what if amongst the many bargaining units and the three employers there is a willingness for some to get together voluntarily? Will the government respect that return to the table, or will it apply the law despite that willingness to get into collective bargaining again?

[*Translation*]

**Mrs. Robillard:** As you see, pursuant to clause 10(8), if both parties come to an agreement before I appoint the mediation-arbitration commission, then we could recognize the agreement reached without having to —

There is a seven-day delay before I appoint the commissions. I will inform both parties that they have to appoint a representative. The parties will have at least seven days to negotiate a tentative agreement or an agreement on the process itself. They will still have that opportunity to settle the dispute before the commissions are set up.

[*English*]

**Senator Stewart:** I asked earlier why you put in the expression "coast-to-coast." Does that mean in the case of CN Rail, for example, the entire system, which would include its lines south of the border?

In the case of Canadian Pacific, and I am sure it is true in the case of CN Rail, we were told by Mr. Ritchie that its competitiveness is affected by the regulatory situation in the United States, and it is affected also by taxation on property and fuel. I am interested in ascertaining whether the government is trying to establish a level playing field in which the companies will be viable and competitive. What is intended with regard to the circumstances in which viability and competitiveness are to be sought?

[*Translation*]

**Mrs. Robillard:** This is a very relevant question because it shows, Mr. Chairman, that several elements, besides the terms and conditions of employment, affect a company's competitiveness. I think this is pretty clear. The senator mentioned a number of points that confirm this statement.

The senator is certainly aware that, when Finance Minister Paul Martin recently tabled his budget in the House of Commons, the Honourable Minister of Transport also introduced a document on the new orientation of Transport Canada and the 1995 budget.

This document clearly indicates that the federal government is developing a detailed plan to renew the rail industry, a plan to revitalize the services and their marketing, to cut down on management, operation and labour costs and to reduce government regulations. I would imagine that the Minister of Transport will also take into consideration the issues raised by the senator.

[*English*]

• (1700)

**Senator Stewart:** If I understood what you told the committee earlier, Madam Minister, a decision by a commission is final.

**Mrs. Robillard:** Yes.

**Senator Stewart:** You have told us that there is likely to be more than one commission. I hope I am being haunted by unwarranted fears. However, you have told us that there may be different interpretations of clause 12. Let us suppose that the commission that deals with CN interprets those words one way, while the commission that deals with CP comes up with another conclusion. How will that be overcome? Or will they chat with each other?

[*Translation*]

**Mrs. Robillard:** Under the bill, I can appoint three different chairpersons. Right now, I intend to appoint one chairperson for both CN and CP, and another one for VIA Rail.

[*English*]

**Senator Stewart:** That is an assurance upon which we can rely. Presumably you come to that idea because you foresee the possibility of diverse interpretations of the criteria.

[*Translation*]

**Mrs. Robillard:** You can certainly trust this minister.

[*English*]

**Senator Stewart:** Yes, but I want to know what the words are. Is it one chairman or two?

[*Translation*]

**Mrs. Robillard:** I will repeat that I intend to appoint the same chairperson for CN and CP, and another chairperson for VIA Rail.

[*English*]

**The Chairman:** Honourable senators, that completes my list of questioners.

Shall clause 2 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Honourable senators, shall clause 3 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 4 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 5 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 6 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 7 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 8 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 9 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 10 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 11 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 12 carry?

**Some Hon. Senators:** On division.

**The Chairman:** Shall clause 13 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 14 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 15 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 16 carry?

**Some Hon. Senators:** On division.

**The Chairman:** Shall clause 17 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 18 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 19 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 20 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 21 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 22 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 23 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 24 carry?

**Hon. Senators:** Agreed.

**The Chairman:** We are now in Part II of the bill.

**Senator Lynch-Staunton:** Mr. Chairman, if you wish to avoid calling the remaining clauses, I would ask you to record "on division" for clauses 34 and 56.

**The Chairman:** Is it your wish to show a recorded division on those two clauses?

**Senator Lynch-Staunton:** Yes, as well as clauses 38, 56 and 60.

**The Chairman:** In that case, is it agreed, honourable senators, that clauses 25 to 33 carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 34 carry?

**Some Hon. Senators:** On division.

**The Chairman:** Shall clauses 35 to 55 carry?

**Hon. Senators:** Agreed.

**Senator Kinsella:** For greater clarification, clauses 46 and 68 are as amended with the insert into the bill that we have received.

**The Chairman:** Yes, that is taken for granted. The problem is that there was not time to reprint the bill. We are talking about the bill as adopted by the House of Commons. That should be clear.

**Senator Murray:** That refers to all the amendments made, does it?

**The Chairman:** As far as I know, yes.

To recap, honourable senators, clause 56 is carried on division. Clauses 57 to 59 are carried. Clause 60 is carried on division. Clauses 61 to 68 are carried.

Shall Schedule I carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall Schedule II carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall Schedule III carry?

**Hon. Senators:** Agreed.

**The Chairman:** Shall the title carry?

**Hon. Senators:** Agreed.

**The Chairman:** Honourable senators, shall I report the bill without amendment?

**Hon. Senators:** Agreed.

**The Chairman:** Before leaving the committee, honourable senators, I wish on your behalf to thank the minister for her cooperation.

**Hon. Senators:** Hear, hear!

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**The Hon. the Speaker:** Honourable senators, the sitting of the Senate is resumed.

REPORT OF COMMITTEE OF THE WHOLE

**Hon. Eymard G. Corbin:** Your Honour, the Committee of the Whole, to which was referred Bill C-77, an act to provide for the maintenance of railway operation and subsidiary services, has examined the said bill and has directed me to report the same to the Senate without amendment.

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*b*), I move, on behalf of Senator Fairbairn, that the bill be read a third time now.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

[*Translation*]

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

RIDEAU HALL

26 March 1995

Sir,

I have the honour to inform you that The Honourable Antonio Lamer, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 26th day of March 1995, at 5:15 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Anthony Smyth
*Deputy Secretary, Policy, Program and Protocol*

The Honourable
The Speaker of the Senate
Ottawa

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[*English*]

• (1710)

# ROUTINE PROCEEDINGS

## EUTHANASIA AND ASSISTED SUICIDE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Leave having been given to revert to Notices of Motions:

**Hon. Joan Neiman**, with leave of the Senate and notwithstanding Rule 58(1)(*a*), moved:

That the Special Senate Committee on Euthanasia and Assisted Suicide have power to sit at 3:30 o'clock in the afternoon, Tuesday next, March 28, 1995, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Noël A. Kinsella:** Would the honourable senator advise us if she has consulted in this matter with the vice-chairman of the committee, the Honourable Senator Lavoie-Roux, and does she have her concurrence?

**Senator Neiman:** Honourable senators, yes, of course I have. We set up a schedule of meetings, and this would be the sixth meeting we have scheduled for the coming week. If we meet Tuesday afternoon, it may not be necessary for us to meet Tuesday evening. We have three evening meetings and three daytime meetings scheduled at this point.

I may say, I was informed there is a display notice on the television which says that we are meeting at 8:30 tomorrow morning, and that is certainly not correct.

**The Hon. the Speaker:** Is it your pleasure, honourable senators to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday next, March 28, 1995, at two o'clock in the afternoon.

**The Hon. the Speaker:** Is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

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**The Hon. the Speaker:** We will now adjourn to await the arrival of His Excellency, the Deputy Governor General.

The Senate adjourned during pleasure.

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[*Translation*]

## ROYAL ASSENT

The Honourable Antonio Lamer, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Deputy Speaker, the Honourable the Speaker of the Senate said:

> I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Antonio Lamer, Chief Justice of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by a Clerk at the Table.

The Honourable the Deputy Governor General was pleased to give the Royal Assent to the following bills:

> An Act to amend the Income Tax Act and the Income Tax Application Rules (*Bill C-59, Chapter 3, 1995*)
>
> An Act respecting an agreement between Her Majesty in right of Canada and the Pictou Landing Indian Band (*Bill C-60, Chapter 4, 1995*)
>
> An Act to amend the Department of External Affairs Act and to make related amendments to other Acts (*Bill C-47, Chapter 5, 1995*)
>
> An Act to provide for the maintenance of railway operations and subsidiary services (*Bill C-77, Chapter 6, 1995*)
>
> An Act to amend the Unemployment Insurance Act (jury service) (*Bill C-216, Chapter 7, 1995*)

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

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The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, March 28, 1995, at 2 p.m.

# THE SENATE

**Tuesday, March 28, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## NEW SENATORS

**The Hon. the Speaker:** Honourable senators, I have the honour to inform the Senate that the Clerk has received certificates from the Registrar General of Canada showing that the following persons, respectively, have been summoned to the Senate:

Rose-Marie Losier-Cool

Céline Hervieux-Payette

### INTRODUCTION

**The Hon. the Speaker** having informed the Senate that there were senators without, waiting to be introduced:

The following honourable senators were introduced; presented Her Majesty's writ of summons; took the oath prescribed by law, which was administered by the Clerk; and were seated:

**Hon. Rose-Marie Losier-Cool,** of Bathurst, New Brunswick, introduced between Honourable Senators Fairbairn and Corbin.

**Hon. Céline Hervieux-Payette,** of Montreal, Quebec, introduced between Honourable Senators Fairbairn and Kirby.

**The Hon. the Speaker** informed the Senate that the honourable senators named above had made and subscribed the declaration of qualification required by the Constitution Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

• (1410)

[*Translation*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, it is with great pleasure that I welcome two new senators to this house, Céline Hervieux-Payette, from Quebec, and Rose-Marie Losier-Cool, from New Brunswick.

[*English*]

Senator Losier-Cool brings to the Senate an extensive background in education. She was a teacher for 21 years at Népisiguit High School in Bathurst, New Brunswick. She has also served on a number of boards and associations related to education and to women, both nationally and provincially, including the Canadian Teachers Federation and l'Association des enseignantes et enseignants francophones du Nouveau-Brunswick, of which she was the first woman president.

She is vice-president of the New Brunswick Advisory Council on the Status of Women. She has a special interest, which she was relating to me just yesterday, in ensuring that young women have fair opportunities to present themselves for success in the workplace.

[*Translation*]

Honourable senators, I know that Senator Losier-Cool's vast experience will continue not only to serve New Brunswick well, but the entire country and each of us in this house.

[*English*]

Senator Hervieux-Payette is a lawyer who has had an active and distinguished career in politics, business, and community affairs. Many of us have known her well since 1979 when she was first elected as a Member of Parliament for the riding of Mercier in Montreal.

In 1984, she was appointed our first Minister of State for Youth in Canada and has carried on that interest to this day as a governor of the Montreal Youth Chamber of Commerce. She also served as Minister of State for Fitness and Amateur Sport. In the context of events these days, it is interesting to note that she was the minister who initiated Canada into its strong leading role in the sports drug testing program.

[*Translation*]

Honourable senators, throughout her career, Senator Hervieux-Payette has remained adamantly attached to Canada, has valued Canadian unity above all, and without a doubt will serve this house and this country with vigour, passion and intelligence.

[*English*]

I welcome both new senators, and I look forward to working with and being educated by them. I hope they will enjoy this place and that it will become another element of their very productive careers.

• (1420)

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, this side of the chamber is pleased to join with the Leader of the Government in welcoming two new colleagues and wishing them well as they assume their new responsibilities. It is certainly encouraging to see the Prime Minister adopt a pattern set by some of his predecessors, particularly by Mr. Mulroney, in appointing to this place a Canadian with no attachment to political parties.

[*Translation*]

Honourable senators, it is certainly the case of Senator Losier-Cool, who was very definite about this after her nomination was announced, insisting that she was accepting it on behalf of those who are not involved in politics.

Her remarks in the areas of education and the status of women, areas in which she has been actively and successfully involved for many years, will have even greater weight since they will not be tinged by partisanship. In fact, while being officially under the banner of the government party, she will soon realize deep down inside that keeping away from Liberal policy will only give her greater credibility in the performance of her duties.

The same cannot be said of Senator Hervieux-Payette, who sat in the other place and was a cabinet member.

That being said, we must recognize that it is perfectly legitimate for those who take an active part in the politics of this country, at whatever level of government, to let the upper house benefit from their experience.

Senator Hervieux-Payette has a reputation for speaking her mind. Someone went as far as likening her rapid-fire delivery to the pecking of a woodpecker. We will recall in particular the non-equivocal stand she took on the repatriation of the Constitution and the Meech Lake accord. We therefore look forward with special interest to benefiting from her proverbial out-spokenness, especially as Quebec is about to embark in a referendum campaign in which she will no doubt want to play a key part, alongside former members of the Quebec government who are now sitting in this place and in the other place.

[*English*]

Once again, colleagues, welcome, and best wishes for success in the important role you have been called upon to play.

**Hon. Senators:** Hear, hear!

[*Translation*]

## THE LATE JOHN PETER HUMPHREY

TRIBUTES

**Hon. Gérald-A. Beaudoin:** Honourable senators, I always made sure to attend the annual conferences organized by John Humphrey, at McGill University, under the title *John Humphrey Annual Lectureship on Human Rights*.

On the evening of March 7, at McGill, I was listening to the vibrant tribute paid to John Humphrey by another distinguished Canadian legal scholar, judge John St-John Macdonald, from the European Court of Human Rights. Little did I know then that I was seeing my colleague John Humphrey for the last time. He was obviously frail, but his clear thinking and his sharpness were intact when he addressed the audience.

John Humphrey was an eminent jurist, a prolific author, a law professor, a dean, a top international official and a remarkable human being. At McGill, he told the audience that he did not want to be remembered personally, adding that we should instead think of his joint efforts with others to promote human rights.

That thought reminds me of what Jean Monnet once wrote. In his memoirs published in 1976, he said that he did not really try to become "someone," but to do "something." This is precisely what John Humphrey did. He was a pioneer in Canada; he accomplished a lot and his legacy will be a lasting one.



He wrote the first draft of the 1948 Declaration of Human Rights, which is more and more often referred to as the Magna Carta of the 20th century.

John Humphrey set up organizations and foundations which will last. He wrote a lot and he made a difference throughout the world.

In recent years, all kinds of honours were bestowed on him, both in Canada and at the United Nations. These honours were well-deserved.

The 20th century may have witnessed two world wars, but it also saw the promotion of human rights. John Humphrey is among those who made a significant contribution to promote fundamental rights in the world. He was a great man.

We offer our deepest sympathy to his wife, Dr. Margaret Kunster.

I will conclude by quoting a line from Benjamin Franklin, which so accurately reflects John Humphrey's ideal:

[*English*]

> God grant that not only the love of liberty but a thorough knowledge of the rights of man may pervade all the nations of the earth, so that a philosopher may set his foot anywhere on its surface and say: 'This is my country.'

**Hon. Noël A. Kinsella:** Honourable senators, it was John Humphrey who taught us that:

> ...whenever authority has become insensitive, arrogant, or abusive, or is illegitimate, or is foreign, or because it has lost contact, or indeed never had any contact with the people, under such circumstances, men and women will always struggle for their rights and freedoms.

A native of New Brunswick, this great Canadian has left us with many lessons to be used in the ongoing struggle for the protection and promotion of human rights. His greatest achievement was to have been an architect of the United Nations Universal Declaration on Human Rights, which was proclaimed by the General Assembly on December 10, 1948, a common standard of human rights for the world community and which many have called the "Magna Carta of the 20th century."

Honourable senators, Canada and Canadians were very proud that Professor Humphrey was the first director of the United Nations Division of Human Rights where, for some 20 years, he guided the UN's human rights work around the world. This was the period in which the International Covenants on Human Rights were prepared, as well as the number of special human rights instruments. As former Secretary-General Kurt Waldheim observed:

> These historic international instruments will furnish the United Nations and its members important tools for the achievement of one of the main objectives of the charter of the world Organization — the promotion of human rights for all, without discrimination.

Honourable senators, the struggle for human rights and the struggle against the abuse of authority has a great tradition. It includes the long and successful struggle of the commons — and

the barons — against the English Crown; it is adorned with names like Locke, Milton and Burke; and it counts among its trophies the Magna Carta, the Bill of Rights, and *habeas corpus*. From this century, we can add the name Humphrey and the Universal Declaration of Human Rights.

Honourable senators, it was my deep privilege to have known John Humphrey as a collaborator and friend for some 30 years. His life was built on the recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family, which form the foundation of freedom, justice and peace in the world. His mission was to work to ensure that human rights be protected by the rule of law. His epitaph might well be the words of Article I of the Universal Declaration of Human Rights:

> All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

• (1430)

**Hon. Sharon Carstairs:** Honourable senators, I do not rise to speak about John Humphrey because I did not know him. However, I heard him on the radio last year when he spoke about the fiftieth anniversary of the founding of the United Nations. I was awed by what he had to say about the importance of the rights of the individual.

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# SENATORS' STATEMENTS

## SOUTH AFRICA

### ESTABLISHMENT OF NEW PARLIAMENTARY SYSTEM

**Hon. Sharon Carstairs:** Honourable senators, I rise today because I have just had an experience with which I think John Humphrey would have been content. It has been my privilege to spend the last two weeks working with provincial members of Parliament from South Africa. In two seminars, one held in Caladon and one held in Bloemfontein, elected members of seven provincial parliaments, three in one session and four in the other, met together to discuss the parliamentary system of government.

They are engaged in the challenge of establishing their own uniquely different parliamentary system. They welcomed knowledge of Canada's system, while recognizing at the same time that their model must be for them, made by them, and will therefore be different from that which we have established in this country.

Honourable senators, members of all the elected South African parties were represented. The ANC, the National Party, the Democratic Party, the Freedom Front, the Inkatha Freedom Party, all sent representatives to one or both of the seminars.

The seminars were sponsored by IDRC as part of the Governance Project, the funding for which comes from CIDA. IDRC used the services of the Parliamentary Centre here in Canada and the Institute for Democratic Action in South Africa.

In addition to my presence, the Honourable John Bosley, former member of Parliament and former Speaker of the House of Commons, was there, as was Bob Miller, the Deputy Director of the Parliamentary Centre, as we exchanged our ideas on parliamentary government with the South African parliamentarians.

Honourable senators, I have to tell you that I was filled with awe and respect for these dedicated elected officials. They have put aside their personal animosities, their anger, their bitterness, and in some cases their rightful outrage in order to work together to continue the miracle which is South Africa in 1995. Their difficulty is heart-warming and, quite frankly, inspiring.

As someone who has always understood and been the beneficiary of democratic principles, it is difficult for me to sit down and ask a young man in his early 30s how he managed to be placed on the ANC list for their proportional representation. A black man, he was a little grim as he replied to me, "Perhaps 11 years of internment helped me to make the list." This was a man who had gone to jail at age 18 for participating in a student riot. He was released at the age of 29. He has now been elected to one of the provincial parliaments. It was hard to know what to say to him after that.

I have returned with a better understanding of our parliamentary system, but also of theirs. Above all, I have returned with enormous respect and admiration for all in South Africa who work in a spirit of reconciliation in their government of national unity at both the provincial and the federal level.

## NATIONAL FORUM ON HEALTH

### APPOINTMENT OF REPRESENTATIVE FROM METROPOLITAN TORONTO

**Hon. Richard J. Doyle:** Honourable senators, on October 27 in Question Period, I asked the Leader of the Government in the Senate why Metro Toronto had been ignored, forgotten or snubbed by the Prime Minister in his formation of the National Forum on Health.

With 44 hospitals, including some of the country's great teaching institutions, it seemed only sensible that a 22-person panel, chosen to spend $12 million in pursuit of challenges in Canada's health care system, should have representation from the city of Banting and Best.

Good intentions were never doubted. The government has an inexhaustible supply. What about lights, camera, action?

Honourable senators, I am able to report today that Mr. William R.C. Blundell, a businessman from Toronto, has joined the forum. Mr. Blundell has served on advisory committees to the Ontario and federal governments, and is a director of a number of Canadian corporations.

I congratulate Mr. Blundell and the Prime Minister. Most of all, I congratulate the Leader of the Government in the Senate for her intervention. My leader thanks her, my city thanks her, and I thank her.

To show our gratitude, at the proper time later today or this week, I will ask Senator Fairbairn three more questions to demonstrate our continuing curiosity about the National Forum on Health.

# ROUTINE PROCEEDINGS

## THE ESTIMATES, 1994-95

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (D) PRESENTED AND PRINTED AS APPENDIX

**Hon. C. William Doody:** Honourable senators, I have the honour to present the eleventh report of the Standing Senate Committee on National Fiance concerning the examination of Supplementary Estimates (D) laid before Parliament for the fiscal year ending March 31, 1995.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day, and that it form part of the permanent records of this house.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

*(For text of report, see today's* Minutes of the Proceedings of the Senate.*)*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Doody, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## BANKING, TRADE AND COMMERCE

SIXTEENTH REPORT OF COMMITTEE PRESENTED

**Hon. Michael Kirby:** Honourable senators, I have the honour to present the sixteenth report of the Standing Senate Committee on Banking, Trade and Commerce, requesting that the committee be empowered to incur special expenses pursuant to the procedural guidelines for the financial operation of Senate committees.

I ask that the report, together with its appendices, be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

*(For text of report, see today's* Minutes of the Proceedings of the Senate.*)*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Kirby, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

[ Senator Doyle ]

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Wednesday, March 28, 1995, at one thirty o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

[*Later*]

## GENERAL AGREEMENT ON TARIFFS AND TRADE

INTELLECTUAL PROPERTY RIGHTS AND THIRD WORLD AGRICULTURAL DEVELOPMENT—NOTICE OF INQUIRY

**Hon. Mira Spivak:** Honourable senators, I give notice that on March 30, 1995, I will call the attention of the Senate to the document I tabled today on the subject of GATT, intellectual property rights and Third World agricultural development.

# QUESTION PERIOD

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT REDEVELOPMENT—ALLEGED INVOLVEMENT OF PRIME MINISTER

**Hon. Donald H. Oliver:** Honourable senators, I have a question for the Leader of the Government in the Senate. Over the weekend there were media reports questioning the involvement of the Prime Minister in the Pearson airport deal. There was a two-page story in the *Financial Post* magazine. Yesterday, during Question Period in the other place, questions were raised again concerning the role of the Prime Minister in this same issue.

Colleagues, I know in the past there have been comments regarding the need for an independent inquiry to clear the names of ordinary Canadians caught up in this deal, including the reputations of 52 members of this place. Today, however, I am even more convinced, when the secrecy and intrigue surrounding this deal begins to implicate the Prime Minister himself, that it is time that there be a forum in which this matter can be heard. Canadians deserve the facts.

Will the Government Leader in the Senate announce today her support for the motion put before this chamber by the Honourable John Lynch-Staunton calling for an inquiry into the Pearson affair? Will the leader take this step to show her support, if not for ordinary Canadians, at least for the Prime Minister?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I should like to deal with the initial comments of my honourable friend regarding certain media reports of the last day or two. I draw to the attention of members of this house the Prime Minister's comments yesterday in the House of Commons, comments which were reiterated to myself personally when we discussed this issue yesterday. The Prime Minister made it very clear that he did not at any time meet with the Matthews Group on the question of the Pearson airport deal. That has been stated in both Houses of Parliament before. I simply restate it again because the story keeps coming up. His answer remains firm and unequivocal.

On the question of my honourable friend's inquiry, that has been moved. It is now a subject of debate. I will be speaking on it at some point soon.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I have a supplementary. The leader will certainly allow a correction. The Prime Minister never said he did not meet with the lawyer and the principal involved; he said he did not discuss Pearson airport with the two people at the meeting. He stated that he took the opportunity of checking at his law firm with the lawyer representing Matthews. He spoke with him and got confirmation that they had not discussed this matter at all at that meeting in Toronto. Therefore, a meeting was held. The point is that the Prime Minister says that at that meeting, they did not discuss the Pearson airport deal. What did they discuss for an hour and a half, when the only topic of interest to Mr. Matthews was Pearson airport?

**Senator Fairbairn:** My honourable friend is quite right and I will, if it is necessary to do so, clarify my answer. Yes, a meeting did take place. No, the issue of Pearson airport was not discussed. Indeed, I believe the Prime Minister said further at the time that he was not aware of the privatization plan. He said that in the House of Commons yesterday. As far as the subject matter of the meeting is concerned, I will be pleased to follow that matter up for my honourable friend.

PEARSON INTERNATIONAL AIRPORT—INFLUENCE OF GOVERNMENT ACTIONS ON ATTRACTING FUTURE BUSINESS

**Hon. Norman K. Atkins:** Honourable senators, my question is for the Leader of the Government in the Senate. In an advertisement, the Government of Canada, through the Greater Toronto Airport Authority, is seeking a chief executive officer to head up the planned airport authority that is to take control of Pearson. The mandate of the new CEO will be to develop a plan for the airport and to begin securing financing for future work. Given the action of this government to date regarding Pearson and the introduction of Bill C-22, is it not sending the wrong message to the investment community about doing business with the Government of Canada? Is the government concerned about the impact Bill C-22 will have on financing future development work at Pearson airport and other government projects for that matter?

**Hon. Joyce Fairbairn (Leader of the Government):** As Senator Atkins will know, I have expressed the view many times in this chamber, and will do so today, that we will find a legislated solution to our discussions on Bill C-22, certainly on Pearson airport.

In terms of the airport authority, one of the strongest messages that we could send forward on the necessity for the development of that fundamental transportation link in our country is to reach a solution in this house on the question of Bill C-22.

PEARSON INTERNATIONAL AIRPORT—IMPORTANCE OF PASSAGE OF BILL C-22 ON DEVELOPMENT—KNOWLEDGE OF ROBERT NIXON—GOVERNMENT POSITION

**Hon. Norman K. Atkins:** Honourable senators, can the leader confirm the fact that Mr. Nixon was briefed by Transport Canada officials on this very matter and was informed that indeed there was a risk if the legislated end to the contract was proceeded with?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to follow up on the senator's question. I personally am not familiar with the details of the document to which he has referred. I will be pleased to try to find information for him. I am sure he knows that I would not like to comment on details of a document with which I am not familiar.

[*Translation*]

PEARSON INTERNATIONAL AIRPORT—DELAY IN REDEVELOPMENT OF TERMINALS 1 AND 2—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, I was very interested to read the written answer to my question of a few weeks ago regarding the problem your government was experiencing with regard to the development of Terminals 1 and 2 at Toronto airport.

As I said, I read the answer with interest. For the purposes of my question, I will summarize it.

You indicated in your answer that the government could not proceed with the development or redevelopment of the airport or of the two terminals because of outstanding subleases registered against the title.

Any first year law student answering a legal question in such a way would clearly fail his exam for the very simple reason, honourable senators, that subleases are registered because there is a principal lease. If the principal lease is cancelled, the subleases arising from the principal lease are normally cancelled as well.

To this end, honourable senators, why did your government not ask the courts to cancel the subleases?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, unfortunately I am not a first-year law student. I cannot comment on his evaluation of the response as far as he personally is concerned. Our vastly preferred option on the question of Pearson airport is to resolve, with the cooperation of the whole house, our outstanding differences with a view to arriving at a legislated solution to the question of Bill C-22. That is the fundamental goal of the government at this point, and that is the one that we continue to work towards.

• (1450)

[*Translation*]

**Senator Nolin:** You have given us this answer several times, but what you are saying is this: Bill C-22, and only Bill C-22, will allow us to proceed with airport development. These are two completely different issues. If your government is concerned about the quality of the infrastructure at Toronto airport Terminals 1 and 2, there is nothing keeping you from starting any work there at this time. Bill C-22 is a separate issue. It is a lease or contract asking Parliament to cancel or order full cancellation. It is a different matter.

I will repeat my question from the other day. What is keeping you today from starting the repair and maintenance work at these terminals?

[*English*]

**Senator Fairbairn:** Honourable senators, my friend Senator Nolin and I come from different perspectives on this issue. The government has made its goal and its route very clear; there is no question as to that, and the route is through legislation and Bill C-22. We will proceed on that route.

I did answer my friend's questions to the very best of my ability. There are one or two impediments at this point in time. Our concentration is on trying to work cooperatively in order to arrive at an agreement which will permit us to proceed with Bill C-22.

**Hon. John Lynch-Staunton:** Honourable senators, on the same point, it is not Bill C-22 that is delaying any improvements and essential works to the Pearson airport; it is the fact that the government has delayed the creation of the Greater Toronto Airport Authority. The transfer of responsibilities may not happen for 14 or 18 months. The planned turnover date is not until April 1, 1996. That means that essential works are being delayed, not by our delay of Bill C-22 — if indeed we are delaying it — but rather by the government's delay in transferring its responsibilities to an airport authority and in not acting expeditiously in the creation of the airport authority itself.

The government is buying time because it does not, in fact, have the money available to invest in Pearson airport, whereas if these agreements had been put in place, there would be thousands of people working there now and at least $100 million already invested for the benefit of the Greater Metropolitan Toronto area.

**Senator Fairbairn:** Honourable senators, my friend knows that we do have disagreements on some of these issues. It would be my contention that the development could have taken place and the jobs could have been created at this point had we been able to come together more swiftly on an agreement on this legislation; an agreement which would enable us to transfer over control to the Toronto regional airport authority.

**Senator Lynch-Staunton:** Which does not exist yet. I am sorry, I did not mean to interrupt.

**Senator Fairbairn:** One difficulty is that the Toronto airport authority, as my honourable friends know, has the capacity to advise the government, but taking control of the whole operation is still not possible.

I continue to hope that, as we further study the issues raised in the Standing Senate Committee on Legal and Constitutional Affairs, we can come to a legislative solution in this chamber.

## CANADIAN HERITAGE

### ACTIONS OF FILM REVIEW BOARD ON ADULT FILMS— GOVERNMENT POSITION

**Hon. C. William Doody:** Honourable senators, I have a question for the Leader of the Government in the Senate. I have been told that the Film Review Board, in a closed meeting, has secretly approved a recommendation to allow scenes of bondage, degradation and violence in adult films — and we know what "adult films" is the code word for. This action took place almost a year ago now. If this is actually true, we have taken a huge leap backward in our struggle against violence and degradation of women.

Will the Leader of the Government look into this matter for us and advise us if my information is correct? If so, would she not agree that decisions of this kind should not be taken behind closed doors but should be aired for public debate and response?

**Hon. Joyce Fairbairn (Leader of the Government):** Did Senator Doody make reference to the Film Review Board?

**Senator Doody:** Yes, I am told that the Film Review Board made this decision on May 6 past, almost a year ago. Now the results of it are filtering through. I am speaking of the Film Review Board, which I assume is the censorship board by a more acceptable name.

**Senator Fairbairn:** I would be very pleased to take Senator Doody's question and the information in it to my colleagues at once.

## INDIAN AFFAIRS

### CLEAN-UP OF CANADIAN NATIONAL TRAIN WRECK DEBRIS ON BIRDTAIL SIOUX RESERVE—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, officials of the Department of Indian Affairs in the Manitoba region have confirmed that four diesel locomotives and some 20 tanker cars, the wreckage of a 1968 train derailment, are rising from a bog on the Birdtail Sioux First Nations Reserve along the Canadian National Railway mainline near the Manitoba-Saskatchewan border. The wreckage was buried rather than removed in the wake of a major derailment. The fact that it is resurfacing came to light in 1993 when officials of the band approached the Department of Indian affairs.

That train wreckage is posing a safety hazard to children on the reserve, a threat to the cattle and horses raised by the band, and a potential environmental threat to the land and water of the Birdtail Creek, which flows into the Assiniboine River. It is not known whether residue of any toxic substance contained in the tankers is leaching into the surrounding area.

Will the Leader of the Government in the Senate ask her colleague the Minister of Indian Affairs and Northern Development when this long overdue clean-up will begin, and what will be the cost to the Canadian taxpayer?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be very pleased to do so. I am not familiar with the situation which my honourable friend describes. However, I will certainly refer this matter to the Minister of Indian and Northern Affairs and, if necessary, to any related ministers who might have a responsibility in that area.

LEGAL ACTION AGAINST CANADIAN NATIONAL RAILWAY— GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, negotiations with Canadian National to have the wreckage safely removed reached an impasse some months ago. I am advised that the Department of Indian Affairs is preparing to release funds to allow the clean-up, but will then attempt to recover the sum by suing CN.

Will the Leader of the Government in the Senate inquire from the Minister of Transport whether he will request that CN return to the negotiating table in order to avoid the diversion of funds from the budget of the Indian Affairs Department and the additional, very high expense of litigation between a government department and a Crown-owned railway?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, that sounds like an extremely complex situation, and I would be glad to help my honourable friend get through it.

## THE SENATE

PRINCE EDWARD ISLAND— APPOINTMENT OF NEW SENATOR—GOVERNMENT POSITION

**Hon. M. Lorne Bonnell:** Honourable senators, after listening to Senator Doyle thanking the Leader of the Government in the Senate for her part in getting action on the subject-matter of his question, I stand today to ask a question of my own, in the hope that I, too, might get some response.

Senator Phillips, Senator Rossiter and I have been the overworked representatives of Prince Edward Island for the last year. When will we be restored to our full complement of senators with a new appointment to replace Senator Macquarrie, who did do his share of work? Perhaps we would not mind being so overworked, even on Sundays, if you could find out for us when we can expect his replacement?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I preface my response by heartily thanking Senator Bonnell for joining in our activities on Sunday as we were working on the legislation to put the railways back to work.

I suppose my friends opposite might argue that Senator Macquarrie is irreplaceable. However, this task will be accomplished, honourable senators, in the fullness of time, and I hope very soon.

## NATIONAL FORUM ON HEALTH

REQUEST FOR PARTICULARS ON EXPENSES, BUDGETS AND CONTRACTS

**Hon. Richard J. Doyle:** Honourable senators, I have three short questions for the Leader of the Government in the Senate. All of these questions deal with the National Forum on Health.

• (1500)

A panel of unpaid citizens was set up to advise the Prime Minister and the government on, and I may quote, "the reshaping of a system which is universal, accessible, comprehensive, portable and permanently funded."

For each member of the National Forum on Health, what is the total amount of all expenses paid or reimbursed by the government from the time the forum was announced to the date the question is answered?

Second, with respect to the $3.2 million budgeted for the National Forum on Health in the 1995-96 Main Estimates, how much of that budget is for personnel, transport and communications, information, professional and special services, operating costs, capital costs and other payments?

Third, has the National Forum on Health issued contracts for research, communications, or other professional and special services? If so, in each case, to whom was the contract awarded, what was the amount of the contract, and what was the purpose of the contract?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Doyle for his questions. I am sure the Department of National Health and Welfare will be tickled to get those detailed inquiries. I will send his questions to them immediately and get the answers back as quickly as I can.

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# ORDERS OF THE DAY

## APPROPRIATION BILL NO. 4, 1994-95

SECOND READING— DEBATE ADJOURNED

**Hon. Pierre De Bané** moved second reading of Bill C-79, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.

POINT OF ORDER

**Hon. David Tkachuk:** Honourable senators, I wish to raise a point of order with regard to Bill C-79, for which I seek a ruling by the Speaker.

Honourable senators, I am concerned that this bill goes beyond the scope of what is allowed for in a supply bill. Bill C-79 seeks authority for Supplementary Estimates (D). Paragraph 946 of Beauchesne's 6th Edition reads as follows:

Supplementary Estimates may be presented either:

(1) for a further grant to an existing service, in addition to the sum already appropriated.

(2) for a new expenditure on behalf of a newly-enacted statute.

(3) to meet the cost created by an unexpected emergency.

(4) to transfer funds from one Vote to another.

(5) to extend the purposes of a Vote.

In the schedule to the act, under "Canadian Heritage," Vote 76d reads as follows:

> Pursuant to section 12 of the *National Museums Act* and section 101 of the *Financial Administration Act*, to authorize the Canadian Museum of Nature to borrow otherwise than from the Crown in accordance with terms and conditions approved by the Minister of Finance... $1.

In effect, a $1 Vote is being used to grant unlimited borrowing authority. This does not fit any of the five criteria laid down by Beauchesne's. Rather, it attempts to do through the supply process something which should be the subject of a separate bill.

Beauchesne's paragraph 935 tells us that:

> A supply item ought not to be used to obtain authority which is the proper subject of legislation.

That provision is based on a ruling by Commons' Speaker Jeanne Sauvé on March 25, 1981. In her ruling, she cited several precedents, including the following from March 22, 1977:

> It is my view that the government receives from Parliament the authority to act through the passage of legislation, and receives the money to finance such authorized action through the passage by Parliament of an appropriation act. A supply item ought not, therefore, to be used to obtain authority which is the proper subject of legislation.

I have checked the two statutes cited in this quote. Section 101 of the Financial Administration Act does allow an agency Crown corporation to borrow money, but under two conditions. The wording is as follows:

> No agent corporation shall borrow money otherwise than from the Crown, unless the corporation is both
>
> (*a*) empowered by an Act of Parliament to so borrow money, and
>
> (*b*) specifically authorized by any Act of Parliament, including an appropriation Act, to so borrow money.

Presumably, section 12 of the National Museums Act is mentioned as condition (*a*); that is, that the Crown corporation be empowered by an act of Parliament to borrow money.

I have looked up that section. The only borrowing power the museum has concerns, and I quote from paragraph (*d*) of section 12, "exhibits, museum material, knowledge, or information." Nothing allows it to borrow money. Butterfly collections, dinosaur bones, plants, rocks and stuffed bears, yes, but no money. In effect, Parliament is being asked to grant a power that does not now exist. To my mind, that makes this Vote legislative.

Honourable senators, the second condition laid down by the Financial Administration Act is that the borrowing also be specifically authorized by an act of Parliament, including an appropriation act. Presumably Bill C-79 is supposed to meet this second condition. However, there are two problems here. The first is that while the current section 101 of the Financial Administration Act dates from 1984, it is at odds with parliamentary precedent as laid down in the 6th Edition of *Beauchesne's Parliamentary Rules & Forms*, published in 1989.

As honourable senators are aware, while Beauchesne's relates primarily to the operations of the other place, it is widely used as a procedural guide in this place. The 1989 version of Beauchesne's still treats as valid a December 9, 1975, Commons Speaker's ruling that struck borrowing authority from a supply bill based on Supplementary Estimates. By coincidence, that supply bill was also numbered C-79. It was introduced by the then Treasury Board President, Jean Chrétien.

What the Speaker said was that while borrowing authority could be part of a supply bill based on Main Estimates or Interim Supply, it could not be part of a bill based on Supplementary Estimates. The specific quotation is found in paragraph 969 and reads as follows:

> There is a historical justification for including in a supply bill based upon the Main Estimates, and even one based upon Interim Supply, a clause which relates to the borrowing power of the Government. An Appropriation Bill based upon Supplementary Estimates, however, may not include a clause which gives the Government the power to borrow money.

Honourable senators, while the Financial Administration Act does allow Crown corporations to borrow money through an appropriation act, parliamentary precedent would suggest that it cannot be an appropriation act based on Supplementary Estimates.

This is not the only restriction placed upon borrowing clauses. In 1981, the Speaker in the other place ruled that a clause granting borrowing authority could not be part of a tax bill. The reason cited in Beauchesne's, paragraph 970, is quite clear and worth mentioning in the context of my point of order.

> Borrowing authority is a substantive matter requiring specific notice, and lacking such notice, the borrowing provisions are to be struck from the bill.

I think there is another matter here which goes to the very root of parliamentary privilege.

• (1510)

We are being asked to grant an agency Crown corporation authority to borrow an amount that is not specified in the bill, for purposes which are not specified either. Parliament is being asked, through the device of a $1 Vote, to grant unlimited borrowing power. This Crown corporation need never ask Parliament to vote it funds again because, if it runs short, it will just borrow money under the Crown guarantee.

There is one other point I should like to make: The existing precedents refer to the power of the government to borrow money. Some may argue that since this is a Crown corporation, and technically it is not the government, the normal rules do not apply. In fact, this is an agency Crown corporation which is heavily dependent upon the government for funds. The government will be on the hook for every dime it borrows. To all intents and purposes, there is little difference between money borrowed for this museum and money borrowed to allow departments to operate.

Honourable senators, before we give this bill second reading, I should like to have a ruling from the Speaker as to whether this particular vote is in order. If it is not in order, I would ask that the Speaker order it to be struck from the bill.

I argue that it is not in order for four reasons: First, it does not fit the criteria for Supplementary Estimates as laid down by Beauchesne's.

Second, the National Museums Act does not allow the museum to borrow money. Parliament is being asked to authorize what is not permitted by law. I submit that this makes this vote legislative in nature and, in accordance with precedent, it must thus be ruled out of order.

Third, consistent with past rulings of the Speaker of the other place, it is not in order to seek borrowing authority in Supplementary Estimates. Borrowing authority is a substantive matter which requires more attention than is possible in a bill authorizing Supplementary Estimates. The role of Estimates, in any event, is to authorize spending, not borrowing.

Fourth, it is an affront to the privilege of Parliament to seek authority to borrow an unlimited amount of money for unspecified purposes, especially in a supply bill.

In conclusion, I emphasize the importance of the supply process to Parliament. It is at the heart of what we do. Parliament evolved in the first place because the government wanted to have some say over the way the Crown taxed and spent.

I ask the Speaker to consider this point of order and to render a ruling.

**Hon. John B. Stewart:** Honourable senators, the point of order which has been raised certainly is interesting and important. However, I do not think that a case has been made.

Much of the argument we have heard is to the effect that the House of Commons, which has sent us this bill, has ignored its own rules and the rulings of its own Speaker; in other words, that it ought not to have passed the bill.

Who are we, at this point in the legislative process, to set ourselves up as an authority to say that the House of Commons, which is the master of its own proceedings, broke its rules of procedure?

**Senator Lynch-Staunton:** Like Bill C-22.

**Senator Stewart:** That is irrelevant.

**Senator Lynch-Staunton:** That is your question, senator. You are saying, "Who are we to interfere in what the House of Commons decides?"

**Senator Stewart:** My first point is that much of the argument made by the honourable senator deals with what already has been done by the House of Commons, which is a matter for the House of Commons.

The second point we should remember is that Beauchesne's is a work of description. It describes, for the guidance of members of the House of Commons — and to some extent members of the Senate — what the rules and practices have been. It is a descriptive work. It does not amend the Constitution of Canada. Consequently, it does not define or limit the powers of the Senate to deal with bills, specifically in this case, this bill.

The third point which the honourable senator made was that if the bill were to pass as the authority granted in the clause to which he made reference, that would have made an unwise grant of authority, and the corporation would have a rolling authority to borrow again and again an "unlimited amount." That may be a good argument on the basis of policy for disagreeing with what the bill asks. What it asks may be unwise, but that does not raise a point of order.

On these grounds, I think this point of order cannot succeed. We cannot say that the bill is out of order here because, in our judgement, it was out of order in the House of Commons. The question is whether the bill is in order here in the Senate. We are bound, not by Beauchesne's, but by the Constitution. Beauchesne's does not amend the Constitution in any way. If an argument could be developed that the bill is unconstitutional, then my honourable friend opposite would have a very good point.

In conclusion, I say that we cannot deal with policy questions, questions that concern the wisdom of what is in the bill, under the guise of a point of order.

**Hon. Pierre De Bané:** Honourable senators, I am surprised by the point of order raised by my honourable colleague because, as you know, on March 28 the Standing Senate Committee on National Finance studied this bill at a meeting presided over by Senator Doody. Tomorrow we will be studying the report on that bill made by Senator Doody. The official opposition in the Senate forms the majority on that committee. As you will see by the report signed by Senator Doody on behalf of our committee, the point raised today by my honourable friend is not included in the report.

To quote from that report, honourable senators:

> Vote 76d of the Canadian Museum of Nature under Canadian Heritage permits the Museum to borrow otherwise than from the Crown and will facilitate the consolidation of

staff and holdings from eleven older buildings in the National Capital Region to a new building in Aylmer, Quebec.

Therefore, perhaps the person best placed to answer our colleague is the chairman of our committee.

**Hon. C. William Doody:** Honourable senators, I thank my honourable friend for mentioning my name three times in one paragraph. I think we have established another first in the Senate. It is almost as clever as imposing a borrowing authority through the use of a $1 Vote. I have never seen that before, either.

If honourable senators think that is the proper way to bestow borrowing authority on a Crown agency — not even the government itself, but on a Crown agency — that will indeed be a baffling leap of logic. That has yet to be demonstrated.

To answer more directly the point raised by my friend Senator De Bané, the fact that I am the chairman of the committee certainly does not preclude the right of any member of this house to rise when he or she so wishes, to raise a point of order, or to enter into any debate. The fact that I sit there in great impartial, judicial splendour at the head of the table certainly does not preclude even my humble friend from joining us from time to time.

**Senator Tkachuk:** Honourable senators, I was at that meeting of the National Finance Committee. Honourable senators who were there will know that I was quite interested in this particular item in Supplementary Estimates. I asked a number of questions about why it was included, and why they were borrowing the money. Having been here only a year and a half, I did not have the knowledge needed to question what was occurring. That is why I am asking the Speaker to rule on this point of order.

• (1520)

When I phoned some of my fellow senators and asked who the resident expert was here, Senator Stewart's name came up twice. I said, "I do not think I will phone him."

Is there a precedent in this matter? If this is accepted, any Crown agency can request unlimited funds through Supplementary Estimates. Every agency may approach Supplementary Estimates — rather than taking the legislative or Main Estimates route — and through a $1 Vote, vote itself all the funds it needs. How does Parliament govern the Crown's money?

**Senator Stewart:** Honourable senators, the question just asked does not refer to the point of order.

**Senator Tkachuk:** That is my point of order.

**Senator Stewart:** Think about it, honourable senator. What you have now identified as your main point is whether it is wise to enact this measure. You state that if it can be done this time, it can be done again and again. That may be true, and it may be a good reason for opposing that particular provision in the bill.

However, if you oppose it for that reason, you should oppose it on substantive grounds, not procedural grounds. If is not a question of order, it is a question of whether the clause is wise as public policy. That of course is a question which you must answer yourself. That is not a question for the Speaker. That is a question which senators must answer for themselves. Is it wise to confer this kind of authority? That is not a question of order.

**Senator Tkachuk:** The question has been raised in the other place. It has been ruled out of order. For whatever reason, it arrived here anyway. I know what the reason is, but it should not be here in the first place. I am asking the Speaker to rule on this matter.

**Senator Forrestall:** There is nothing infallible about the other place.

**Hon. Allan J. MacEachen:** Honourable senators, before I say a word, I would like to be sure that I know which Vote the point of order is directed at. Am I correct in assuming that the objected Vote is 76d?

**Senator Doody:** Correct.

**Senator MacEachen:** When I listened to the honourable senator referring to unlimited borrowing and conferring authority to receive any amount of money desired, I thought that maybe he has a point of order. However, the eleventh report of the National Finance Committee, submitted earlier today by Senator Doody, deals with the same Vote 76*d*. I refer honourable senators to Appendix II, additional explanations, category (*c*), miscellaneous $1 Votes. We come to 76*d*.

It states:

> Pursuant to Section 12 of the National Museums Act and Section 101 of the Financial Administration Act to authorize the Canadian Museum of Nature to borrow otherwise than from the Crown in accordance with terms and conditions approved by the Minister of Finance.

However, there is an explanation which seems to be quite different than the one which would confer upon anybody the authority to borrow unlimited sums of money. Presumably it will empower the building or the administrative authorities to enter into a capital lease in the administration of its holdings. The reason why that authority is sought is that under the financial administration regulations it is considered to be a borrowing.

The committee itself puts quotation marks around "borrowing," indicating that it is not really "borrowing" at all. It is a definitional change that is authorized by the $1 Vote. I do not see how changing or permitting an authority or administration to enter into a capital lease constitutes and confers the authority to borrow sums of money.

Therefore, the fears which the senator may have had initially may disappear if one looks at the explanation that is provided by the committee. That is my reading. If the chairman of the committee says otherwise, I shall agree with his conclusion because he has studied the matter carefully. The museum proposes to enter into a capital lease, which is considered to be a "borrowing" under the FAA regulations, with a private developer who will construct the building for occupancy in late 1996. I conclude from that that is what this dollar item will authorize.

**Senator Berntson:** It is worth more than a dollar.

**Senator MacEachen:** The dollar item will authorize a capital lease with a private developer. It does not confer the authority to receive unlimited sums of money for any purpose whatsoever. If that were the intent, Senator Tkachuk could have a legitimate grievance. Those of you who have made a profound study will I am sure be able to correct what I have said.

**Senator Doody:** The point being made here is that borrowing should be authorized through a borrowing bill and not through a legislative venture such as this. We are giving the minister the right to borrow an unspecified amount of money. There are explanations. However, they are not included in the legislation, which is the appropriation bill.

Does the Senate consider it proper to entitle ministers of the Crown to bypass Parliament under the guise of a $1 Vote and borrow money for whatever purpose? In this case it is a lease, but in another case it may not be a lease. If this is to become accepted procedure, then the Senate should certainly give it its blessing. One of the difficulties in this whole process is that the opposition in the other place does not question this sort of thing at all. It just goes down through on a nod. We have responsibilities here that perhaps we should not have to shoulder.

The appropriations bills for the Estimates are the responsibility of the elected body, as they involve the control of the public purse. No legislation gets less scrutiny in the other place than these huge amounts of money, which are voted every year on a wink and a nod.

**Hon. Senators:** Hear, hear!

**Senator Doody:** If they are not questioned in this place, they will not be questioned at all. The way the Senate is asked to look at these things is itself a national disgrace. We receive the Supplementary Estimates three days before the government wants them back. We call a committee meeting. There are subheadings in here that we have not even seriously considered. They should be examined, but the rush is on. The Estimates must be sent back. We can pass the appropriations bill without the Estimates, but it would not be seemly to not have reported on the examination of the Estimates.

Therefore, at the eleventh hour in this case — not even the eleventh hour, quarter to twelve — we are given the Estimates to review. The appropriations bill will come up tomorrow. Today we received a borrowing authority bill. The committee certainly will not have time to examine that legislation properly, unless once again we place ourselves in the position of saying, "Hold it, stop. The Senate wants to examine this matter more thoroughly." Then we are accused of obstructionism. The unelected house, once again, is said to be standing in the way of the House of Commons. The government wants its bill. The House of Commons has passed these Supplementary Estimates without even looking at them. Now we are expected to do the same thing.

• (1530)

I congratulate my friend on having raised this issue because it will give us an opportunity to air some of these matters. Those who sit on the government side of this chamber are placing this whole chamber, themselves and the government in a very unfortunate position by going along with this mad rush to get this legislation through without giving it proper and in-depth consideration. I ask my honourable friends opposite to take this matter up with their counterparts in the other place to try to work out a system that would give us at least a week, ten days or two weeks to look at these very important matters.

**Some Hon. Senators:** Hear, hear!

**Senator MacEachen:** I thank the honourable senator for his impassioned appeal on the general way of treating Supplementary Estimates and so on. However, he has not yet explained how a definitional change authorizes anybody to borrow money. Even his own report puts the word "borrowing" in quotation marks, because it is not intended to mean "borrowing." It is intended to mean "authority" to enter into a capital lease with a private developer through this method.

If someone can tell me where the authority is to borrow, the sums and so on, then we might go on to the next step to see whether or not that is valid. I do not even think the authority to borrow is here. Its purpose is to achieve a definitional change, according to the explanation.

[*Translation*]

**Hon. Roch Bolduc:** Honourable senators, does Senator MacEachen think this is a good way to obtain authority?

[*English*]

**Senator Doody:** Honourable senators, if this is not a borrowing authority, then why is it phrased in such a way as to make us believe that it is a borrowing authority? It is a $1 Vote which authorizes the Canadian Museum of Nature to borrow otherwise than from the Crown in accordance with terms and conditions approved by the Minister of Finance. What they are saying is that the museum will have the authority to borrow, that the Minister of Finance will okay it, that Parliament will vote $1, and that is the end of it. That is exactly what it says. You can put in italics, quotation marks, underlines or anything else you want, but the legislation is quite clear.

**Senator MacEachen:** Honourable senators, I must say that I rely upon the report which has been submitted to us today by the chairman of the committee, who happens to be Senator Doody. Under Vote 76d, the report gives an explanation which tells us what it means. We have the explanation on the authority of Senator Doody who now, apparently, does not take responsibility for this report. The word "borrowing" is clearly in quotation marks, which is a signal to us that it does not mean "borrowing" in the normal sense. Otherwise why is it in quotation marks?

**Senator Stewart:** Honourable senators, by his choice of words Senator Doody has indicated the kind of difficulty we have here. The word "proper" has at least two meanings. The word "proper" can be used to mean that something is in order, and it can be used to mean that something is wise — in this case, that it is good legislative policy. What has been raised here is not the second meaning but the first.

Senator Tkachuk has questioned whether the bill is in order in this house. That is the question on which we are being asked to assist the Speaker.

Most of the discussion that has taken place has not been on the question of the bill's propriety as a matter of order. Instead it has been on its propriety as a matter of good policy.

On certain aspects of what Senator Doody has said, I have a great deal of sympathy with him. However, on the narrow question of whether it is proper as a question of order, it seems to me that there really is not much to discuss, unless we want to change the Constitution and the rules of this house. That is another matter. We have not done so to this point in time.

**Senator Tkachuk:** Your Honour, I seek a ruling on this matter. I believe that you cannot do something through Supplementary Estimates which the law states must be done through legislation. Something cannot be taken through the back door when the law requires that it go through the front door. That is what has been done here.

There are clear precedents in the other place, as well as rulings of the Speaker, which say that they may not do this, that they require a legislative act or, in some cases, that they must go through the Main Estimates. They cannot go through the Supplementary Estimates.

If there is general discussion about the matter, we can always refer it to committee. I ask His Honour to rule on what I have laid out for honourable senators.

**The Hon. the Speaker:** Honourable senators, a point of order has been raised by the Honourable Senator Tkachuk. Several senators have made speeches on the topic, which I have allowed because I think they were in the interest of this chamber. However, that is not in accordance with the rules.

I will take the matter under advisement and report back to the Senate at the earliest possible date.

Debate adjourned to await the ruling of the Speaker.

[*Translation*]

## APPROPRIATION BILL NO. 1, 1995-96

SECOND READING—DEBATE ADJOURNED

**Hon. Pierre De Bané** moved the second reading of Bill C-80, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996.

He said: Honourable senators, Appropriation Bill No. 1, 1995-96, Bill C-80, provides for the release of interim supply totalling $13.7 billion for 1995-96. The Main Estimates, 1995-96, were tabled in the other place on February 28. They will be examined in committee with officials from Treasury Board on or about April 27, 1995.

[*English*]

These Main Estimates total some $164.2 billion in planned budgetary expenditures for the upcoming fiscal year. This includes $116.2 billion stemming from existing legislation and $48 billion in expenditures for which parliamentary authority must be granted.

The bill before us today, otherwise known as the interim supply bill, is seeking $13.7 billion in spending authority to provide for government expenditures up to the end of June 1995, while Parliament reviews the 1995-96 Main Estimates.

**Hon. C. William Doody:** Honourable senators, we seem to be following rather unusual procedure at the moment. If I am correct, it has been the custom that we deal with the report of the committee and, after it is adopted, the appropriation bill usually goes through all stages very quickly, if the government asks for it, which is not without precedent either.

• (1540)

Here we are dealing with the Estimates before we have finished with the report, and I am quite at a loss to know — actually the Senate has it in its power to ignore the committee and to go ahead with the Estimates and appropriations, and pass the bill.

I think the best thing to do would be to adjourn the debate here and now. We can deal with the discussion on the Estimates tomorrow. By then, the Speaker may have arrived at a conclusion. Even if he has not, the debate itself need not be delayed; the conclusion of the debate may be delayed.

On motion of Senator Doody, debate adjourned.

## CANADA-UNITED STATES TAX CONVENTION ACT, 1984

BILL TO AMEND—SECOND READING

**Hon. Michael Kirby** moved second reading of Bill S-9, to amend the Canada-United States Tax Convention Act, 1984.

He said: Honourable senators, I rise today to say a few words about Bill S-9, a bill which will ratify the recently revised protocol to the Canadian-United States Tax Convention.

Canada currently has double taxation conventions in force with 52 countries, including the Canada-U.S. Convention which was initially signed in 1980. That convention has been changed only twice in the last 15 years, these current changes being the third set of changes.

Much of the current protocol that is before you in the form of Bill S-9 deals with technical issues of definition and clarification of existing rules including taxes on income and capital. There are also a number of important changes in this bill, however, which should deliver real benefits to Canada and to Canadians and enhance the fairness of the two tax systems as they apply to non-residents of both countries.

One of the most important elements of this new Canada-United States Tax Convention protocol is that it reduces or eliminates the rate of withholding tax that each country will apply to interest payments, direct dividends and certain royalties.

By reducing withholding tax rates, this protocol should facilitate the continuing growth of trade and investment between Canada and the U.S. This protocol also brings these withholding tax rates into line with those provided in the OECD Model Tax Convention, rates which are currently accepted by a majority of the 25 members of the OECD. In other words, the change in withholding tax rates provided for in this bill brings the Canada-U.S. Tax Convention in line with the tax conventions which currently exist among a significant number of the world's large industrialized countries.

In addition to a change in withholding tax rates, a number of other specific additional changes are contained in this protocol. First, under the protocol, the general rate of withholding tax on direct dividends will be reduced from its current level of 10 per cent to 5 per cent by 1997. Second, the rate of withholding tax on interest payments will be reduced to 10 per cent from 15 per cent, again moving these withholding tax rates into line with the OECD Model Tax Convention.

Finally, this agreement will completely eliminate the withholding tax on royalties on computer software, and on patent and technological information. Thus this protocol will have a significant beneficial effect of reducing the cost to Canadian companies of accessing technology from the U.S. and it will enhance the ability of Canadian high-tech firms to sell their products and services in the United States.

Another way that Bill S-9 will have a beneficial impact is by restoring fairness to the rules regarding the levy of U.S. estate taxes on Canadians holding property there. As many members of this chamber are aware, under current American law, Canadians who die holding U.S. property valued at over $60,000 in U.S. dollars, including winter homes, may be subject to U.S. estate taxes. This is a much lower threshold than American citizens currently face.

Under Bill S-9, however, Canadians will no longer be generally subject to U.S. estate tax unless the value of the individual's worldwide gross estate exceeds $600,000. In addition, special marital credits will be available with respect to property transferred to the spouse of the deceased.

Staying with the subject of estate taxes for a moment, Bill S-9 also puts into place an agreement by our government to provide a credit against Canadian taxes on U.S. source income to the estate of the Canadian citizen in cases where U.S. estate taxes are also levied. The United States, in turn, will grant a reciprocal credit for Canadian income taxes levied on deceased Americans.

This provision will be retroactive to deaths occurring after November 10, 1988, that being the date of the last set of major changes to estate tax provisions in the United States which affect Canadian residents.

It is important to note that these changes, although it may appear so on the surface, do not in fact represent a gift to wealthy Canadians. They effectively eliminate double taxation. Fairness clearly demands that neither Canadians nor Americans pay double taxes. It is the elimination of double taxation which lies at the heart of Bill S-9.

The changes agreed to by our nations recognize that both Canada and the U.S. impose death duties. These two taxes, however, are quite different in form. In the United States, there is an estate tax. In Canada, the government essentially applies a levy which takes the form of an income tax on any appreciation of a deceased's property over his or her lifetime. Harmonizing these different forms of death taxes or estate taxes has created a serious problem for many Canadians and, indeed, many Americans.

Canada, like most countries, has rules to prevent double taxation, but these rules do not cover a situation where the same type of tax is imposed, but imposed in a different form. Under the current rules, with these two different types of taxes attempting to do approximately the same thing, there could be a case where, without the benefit of Bill S-9, the estate of a Canadian with U.S. property would face combined Canadian and American taxes actually exceeding the value of the property itself. Obviously, this is absurd and this is not the kind of tax system wanted by anyone.

Bill S-9 therefore corrects this problem by allowing Canadians to credit U.S. estate taxes against Canadian income taxes on U.S. income and, correspondingly, it allows Americans to credit Canadian income taxes against their U.S. estate tax liability.

Another important aspect of Bill S-9 deals with social security payments made by one country to someone living in the other country. Under the existing tax convention between Canada and the United States, such tax payments are not taxable in the source country but are, in fact, taxed in the country where the recipient is living. Consequently, an Old Age Security (OAS) pension or Canada Pension Plan (CPP) payment to someone now living in the U.S.A. is not subject to Canadian tax. Further, only half the benefit is taxable in the other country.

Bill S-9 essentially closes that loophole because, once it is law, social security benefits will be taxable exclusively in the source country, or the country in which they are paid, rather than the country in which they are received.

I should also point out that once Bill S-9 is law, a number of amendments to the income tax act will be introduced to apply the non-resident withholding tax rules to withholding tax payments made by Americans located in Canada. These changes to the Income Tax Act will be forthcoming later this year.

Honourable senators, another provision in Bill S-9 allows for a better working of the rules concerning charitable organizations to tax-exempt organizations in the other countries. As you know, it is presently very awkward to claim credit for a charitable contribution made to a tax-exempt organization if you are a Canadian living in the United States.

• (1550)

Another provision provides for an arbitration mechanism for the settlement of difficulties over the interpretation or application of this convention.

Finally, the protocol introduces an article providing for assistance in the collection of taxes in the other country, and to improve the exchange of tax information between the two countries. These measures are useful steps in improving our government's ability to collect taxes owing, something that the Minister of Finance pledged that he would do in his February budget statement.

In summary, the purpose of this bill is clear. It is to introduce a fair system of taxation for Canadian residents who are also living and earning income in the United States and, conversely, for Americans who are working and earning income in Canada. It is also designed to eliminate double taxation, to close certain loopholes which have existed as a result of the way in which taxes have been applied and how they differ in both countries. It is aimed at improving the operation of the tax system in both countries by making them more similar and by introducing an element of fairness.

I urge honourable senators to support Bill S-9. Clearly, it is not a partisan bill. Historically, it is the type of bill which the Senate has dealt with expeditiously. I hope that this bill will receive the same treatment.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I thank the honourable senator for his explanation of Bill S-9. I accept his explanation on the facts as they relate to the bill. The bill is certainly not well understood in many quarters. I think the best place to get the answers to those misunderstandings, as it were, is in committee. Thus, we on this side are prepared to see it go to committee at this point.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Kirby, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

NINETEENTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the nineteenth report of the Standing Committee on Internal Economy, Budgets and Administration (Supplementary Budget of the Special Senate Committee on Euthanasia and Assisted Suicide), presented in the Senate on March 23, 1995.

**Hon. Earl A. Hastings** moved the adoption of the report.

Motion agreed to and report adopted.

TWENTIETH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the twentieth report of the Standing Committee on Internal Economy, Budgets and Administration (Supplementary Budget of the Senate Committee on National Finance), presented in the Senate on March 23, 1995.

**Hon. Earl A. Hastings** moved the adoption of the report.

Motion agreed to and report adopted.

[ Senator Kirby ]

TWENTY-FIRST REPORT OF COMMITTEE— DEBATE ADJOURNED

The Senate proceeded to consideration of the twenty-first report of the Standing Committee on Internal Economy, Budgets and Administration (Senate Estimates for the fiscal year 1995-96), presented in the Senate on March 23, 1995.

**Hon. Earl A. Hastings** moved the adoption of the report.

He said: Honourable senators, the Senate budget has decreased significantly over the past three years. It was reduced by 2.5 per cent in 1992-93; by 1.9 per cent in 1993-94; and by 1.4 per cent in 1994-95. This represents a total budget decrease of 5.8 per cent over the past three years.

An analysis of the actual expenditures from 1991 to 1993-94 confirms the idea that budgetary restraint has been a high priority here in the Senate. By voluntarily deferring projects, streamlining operations and reducing expenditures which were not considered operationally essential, the Senate has succeeded in reducing its expenditure from $45.3 million in 1991-92 to less than $41 million in 1993-94. In other words, actual expenses decreased by 10 per cent over this timeframe.

Examples of recent restraint measures are the deferral of projects to install a new sound system in the Senate chamber and to upgrade to the Senate's computer system. These are two projects which have been placed on hold and which represented a considerable expenditure.

The total Senate estimates for 1995-96 which were adopted in the Senate on December 15, 1994, amounted to $42,014,993 — virtually the same level as the previous year. After the approval of these estimates, it was decided by the committee that the Senate should continue to participate in the deficit reduction plan by reducing its budget by an additional 4.2 per cent, or $1.765 million, in the upcoming year.

In order to meet this reduction target, a number of cost-saving measures have been identified. If the authority requested of the Senate is given to the Internal Economy Committee, plans will be developed for implementing these proposals as early in the new year as possible.

The total budget reduction of $1.765 million will be divided between salaries and operational expenses. Every directorate within the Senate administration will be participating in the reduction plan. Senators, as well, will be contributing to the overall savings.

A number of key principles will guide the budget reduction process, especially with regard to reductions in the salary budgets. For example, the Senate's longstanding no lay-off policy has and will continue to be respected. Employees affected by the reduction in the salary budget will be offered a voluntary separation package. Those employees who choose not to accept the package will be redeployed elsewhere in the organization and provided any necessary retraining, counselling and salary protection deemed necessary.

Union contracts will be respected. Open communication with employees and their representatives will be emphasized to alleviate concerns and enable employees to plan accordingly.

This rationalization process will be undertaken in such a manner as to best position the organization for the future. Senior and middle management positions will be included in the exercise, thus reflecting an equitable approach to the cost savings.

Every attempt will be made to minimize the impact of these reductions on the work of the Senate itself. For example, resources most closely associated with committees have been left as is, or as close to "as is" as was possible.

With regard to capital funds, any expenditure for furniture, fixtures and construction will be limited to those related to health and safety issues.

The realization of the savings identified in the budget reduction plan is contingent upon several factors. Timing is a key factor. The total saving of $1.765 million is based upon the assumption that the measures will be effected April 1, 1995. Should implementation be deferred, however, the actual amount of savings realized will be less.

Implementation of the suggested cost saving measures will require a one-time expenditure for the provision of separation packages to eligible employees. The total cost of this program will depend upon the cost of the individual packages. At present, it is estimated that we will be able to find out about the program for the two fiscal years from budgetary savings, and the payback period will be less than three years.

Honourable senators, it is in light of these considerations that your committee is recommending that we be authorized to reduce the Estimates for the year 1994-95 by 4.2 per cent, in line with the provisions I have outlined to you this afternoon.

**Hon. Richard J. Doyle:** Honourable senators, I would ask Senator Hastings if he can give us a date upon which the committee will have completed its examination of this, the largest single cut that has ever been made in the budget of the Senate. It would be desirable to have an opportunity to discover what really is being cut — how many people are being cut, what kind of packages those who have agreed to leave are being given — before we say, "Yes, that is fine." Let us know what the facts are first.

**Senator Hastings:** The honourable senator is asking me how many employees will be affected, and so forth. This will depend on how many employees accept the offers being made. The figures will only be known early in April, at the beginning of a new fiscal year.

Once the Senate grants authority to the committee to proceed, we will do so with all haste to identify firmly those areas which we wish to cut for this coming year. However, to ask me today exactly how much and when, I cannot give you that assurance, senator. We will proceed with all haste to fulfil the reduction plan, because it is all dependent on timing, and we wish to move as quickly as possible.

**Senator Doyle:** Senator Hastings' committee has always had the power and the authority, when preparing a budget, to draw up figures and plans and then come to us with a list of them, and get our approval. There would be no problem in extending that program the same way. The committee can proceed, but when it has made its final recommendations, so that we know what we are talking about, that is, the names, numbers, and extent — then we can take these in the name or on the credit, along with Senator Hastings, for what is being done.

Is there some reason why we must give approval now? In that way, you have our approval before the exercise is launched. How will we collect this $1.765 million? We are talking about April. Is there some reason why, at some date in April, Senator Hastings cannot come back with a budget which says, "These are the cuts that we propose to make to achieve the goal we have set for ourselves"?

**Senator Hastings:** I cannot be clearer than I was with my previous answer. The reduction plan cannot be proceeded with until we have Treasury Board approval. Treasury Board cannot be approached for their approval until we have the approval of the Senate. After the plan has been approved by Treasury Board, then it will be put into force with respect to the employees, and then we will know.

However, for me to state today that "X" number of dollars will be spent on that reduction plan is impossible, but I do ask for authority to proceed. I hope there is enough confidence in the committee to let them proceed with the exercise.

**Senator Doyle:** I am not certain permission is needed to proceed. You can proceed, but approval of what you eventually do must come from this chamber. I do not understand this sudden need that arises for Treasury Board. How does Treasury Board have the right to approve a budget before we even see it? I am at a loss here. Please explain it to me.

**Senator Hastings:** Treasury Board must approve any retirement plan with respect to the employees of the public service. We must take them our plan, in the same fashion as the House of Commons had to go with their plan, to see that it is within the realm of our authority, and so forth. They must approve the reduction plan, and in order to qualify it must fulfil certain conditions. One condition is that the position will not be refilled, and therefore if you put your plan forward to the Treasury Board, they will approve it. The reason we must approach them is that they will assist by permitting us to pay for the pay-out packages.

**Senator Doyle:** When you approach the Treasury Board with this budget, will you not state, "It is our intention to give early retirement to X number of employees, or to give golden handshakes to Z number of employees. In the process of doing that, we will save Y number of dollars." You then receive their permission and come back to us when you are ready to put names on the list. It seems to be a very blank cheque you are offering us today.

[*Translation*]

**Hon. Jean-Maurice Simard:** Honourable senators, for the same reasons given by Senator Doyle, last week I asked for information through one of our colleagues who is a member of the Standing Committee on Internal Economy, Budgets and Administration. I have yet to receive this information. This same colleague told me — and I do not agree with the reasons behind this — that some senators and members of the staff of the

Standing Committee on Internal Economy, Budgets and Administration believe that the information I requested was protected. I must say I was very surprised to hear that.

Since I have yet to receive this information, I would like to ask Senator Hastings for a deferral of the motion to adopt this report to a subsequent sitting of the Senate. Perhaps this would give the staff time to prepare the information I requested.

In fact, the information I asked for was pretty straightforward. I asked for an itemized list, indicating the amount for each item, to help me decide whether the reduction of $1,800,000 was justified. I am putting my request now to the chairman of the committee, Senator Hastings. The Senate adopted its budget, maybe a month ago, for an amount approximately $1,800,000 in excess of the authority you are seeking today. Senator Hastings, could you tell me whether the cuts were made at the behest of the government? If not, could you tell me why we are considering an amendment to the budget for a total amount of $1,800,000?

• (1610)

[*English*]

**Senator Hastings:** The budget adopted in the Senate on December 15 was a zero-increase budget, which your committee felt was satisfactory after three years of reductions totalling 5.8 per cent. However, what was acceptable in December appeared to be unsatisfactory or unacceptable in light of developments in January and February. For that reason, your committee returned to the Estimates with a view of finding further reductions and to participating in the deficit reduction plan then under way. We felt that the Senate would want to play its part in that plan and continue the fiscal restraint and budgetary responsibility it had displayed in the three previous years. With that in mind, we returned to the Estimates and identified areas we felt could be adequately changed, modified, and reduced to fulfil the objective.

I will be glad to provide the honourable senator with the information requested.

**Senator Simard:** Honourable senators, I insist that I get this information. I want a point-by-point list of amounts for each of these items that make up the $1.8-million reduction. I have listened to the comments of Senator Hastings on how the committee saw fit to review the previous Estimates to deal with the new deficit figures. I do not know if Treasury Board, the Department of Finance or anyone in the Liberal cabinet thinks the Senate has done much in the area of cost reduction in the last three years. As the honourable senator says, we have done very well. I do not think the House of Commons has had similar reductions in the last three years. In reducing its budget by $1.5 million, I am afraid the Senate may be accused of giving in too quickly to the government's wishes.

We know that some ministers in the present government think that the Senate is not useful and does no work. We have been called all kinds of names lately by this infamous New Brunswick minister, among others. I am afraid we might be cutting our legs off by agreeing to any of those cuts. The Senate needs more information. Perhaps the public needs to know what is behind this cost-cutting exercise. I, for one, should like to put the items in this committee report aside for several weeks until this information is forthcoming.

**Senator Hastings:** Did I understand you to say that you are adjourning the debate for several weeks?

**Senator Simard:** Until I get the information I have requested. That is my wish.

**The Hon. the Speaker:** Honourable senators, the only motion before us at the moment is that of the Honourable Senator Hastings, who has moved, seconded by the Honourable Senator Petten, that this report be adopted now.

Is it the pleasure of honourable senators to adopt the motion?

**Senator Simard:** Honourable senators, in asking this question of the chairman of the committee, I thought it had the effect of standing the vote. The house may only have one motion in front of it at a time. However, I am sure that with unanimous consent, and if the question I have raised is considered serious enough by honourable senators, I can request that this debate be stood.

**The Hon. the Speaker:** I am sorry, Senator Simard. The motion to adopt the report is before us. It is perfectly within your right to adjourn the motion. However, you have not made a motion to adjourn. You said that if you did not receive the requested information, you would like to stand the matter. It is your right to make such a motion.

**Senator Simard:** Honourable senators, I move the adjournment of the debate.

**The Hon. the Speaker:** You are making that motion, Senator Simard?

**Senator Simard:** Yes.

**The Hon. the Speaker:** Is there a seconder?

It is moved by the Honourable Senator Simard, seconded by the Honourable Senator Doyle, that further debate on this motion be adjourned to the next sitting of the Senate.

Is it your pleasure, honourable senators, to adopt the motion?

**An Hon. Senator:** On division.

Motion agreed to, on division.

[*Translation*]

## THE BUDGET 1995

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the order:

> Resuming the debate on the inquiry of the Honourable Senator Spivak calling the attention of the Senate to the budget presented by the Minister of Finance on Monday, February 27, 1995.—(*Hon. Senator Kinsella*).

**Hon. Roch Bolduc:** Honourable senators —

**The Hon. the Speaker:** Honourable senators, this inquiry was adjourned by Senator Kinsella. Has Senator Kinsella yielded the floor to Senator Bolduc?

[*English*]

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, in the absence of Senator Kinsella, he has conceded to yield the floor, with the provision that this item be stood in his name at the end of debate.

[*Translation*]

**Senator Bolduc:** Honourable senators, you will recall the disappointing 1994 budget tabled by our Minister of Finance, which put off urgent fiscal decisions until later. In February 1994, the state of our public finances undoubtedly warranted radical measures, which the Minister of Finance did not take.

Still euphoric after its election victory, the government which had already set out all of the desirable formulas for change in its Red Book decided to put off their implementation until later.

In addition, it misjudged Canada's situation. It thought that it could bide some time before getting down to work by forming working groups and waiting for the economy to recover from the economic shock treatment administered by the previous government, which was courageous enough to try to change its course — regrettably a little too late.

• (1620)

[*English*]

It was a bad guess. The Minister of Finance and his government were criticized, not so much by the media, which gave them the benefit of the doubt, but by the cold judgment of financial analysts from Canada and elsewhere; that is to say, by the informed public opinion.

The minister has tried to justify his status quo option of 1994 by underlining the coming necessary revision of our social security system, the necessity of keeping national standards in health matters, and the importance of safeguarding some provincial margin of manoeuvre for regional administrations already squeezed by the inappropriate fiscal structure of our welfare state, built partly by his father and his spiritual successors, some of whom sit in this very chamber.

While the Minister of Finance was trying to justify his February 1994 inaction and absence of courageous decisions, some economic agents reacted quite logically to this state of affairs, and the rigour, lacking in the actions of the government, was implacably felt elsewhere.

The consequences that I had predicted here last spring came during last summer and last fall. The increase in interest rates was such that we hit a historic spread with the rates of our neighbour to the south, and all that happened with a slipping Canadian dollar.

What is the score here? Look into this year's budget. There is $7 billion more for servicing the debt, which means that to maintain government expenditure of half a billion more in 1995-96 than in 1994-95, on a total of $163 billion, the government must cut $7 billion in governmental programs. This is not a drastic reduction, but it is a measure that will hurt various groups, while some public money, more than $20 billion, will be transferred to creditors outside this country. The impact of this is similar to killing jobs in our own active manpower structure in order to create them outside of the country.

It so happened that in the fall of 1994, the Minister of Finance began to change his mind and his speeches. The Progressive Conservative Party agenda, so much criticized in 1993, became more fashionable than the Red Book. For the Minister of Finance, now was the time to be realistic. He said, "Let's put order in our fiscal house." He said, "Let's tighten the belt of budgetary expenditures first; economic growth needs good public finance. An additional fiscal load would annihilate our business comparative advantages. We must increase our productivity if we wish to be competitive. Our prosperity calls for an increase in our external trade. Free trade is the key to our economic growth, and we must bring Latin America into NAFTA. The success of GATT and WTO is critical to the repair of Canada," et cetera, et cetera. Most of us thought Michael Wilson had come back, with all his economic wisdom.

[*Translation*]

Then the Minister of Finance gave himself the luxury of touring the country to consult the people, only to hear the self-evident, to hear echoes of advice he had already heard in this house in the spring of 1994. The minister took advantage of his tour to warn Canadians that they would be asked to make sacrifices: "I will make you suffer," he said, "but it is for your own good and for the good of your children."

The result was that this year's budget appeared relatively painless. I even heard people say: "We were prepared for tougher measures than this." Admittedly, the minister adroitly dosed the remedies: a slight economic recovery — he has no control over this however — to bring in additional government revenues; a pre-budget tax increase on tobacco; a tax increase on gasoline; cuts to transfer payments; cuts to subsidies for the farming and transportation sectors, among others; some planned privatizations; a leaner military; a partial transfer of the cost of the public service to the pension account — in short, nothing drastic, but a veritable collage of measures, none of which sticks out like a sore thumb.

The crowning glory is that estimates are multiplied by three to inflate the figures by banking on continued improvement next year and the year after. That is why the minister talks about $20 billion in cuts. In reality, honourable senators, just listen to this: in 1995-96, government spending will be the same as it was in 1994-95. In fact, it will even increase by half a billion dollars.

[*English*]

However, the minister's speech seemed to us dictated by the lenders. He has certainly listened to his creditors, and he has taken their advice.

I should like to tell the government, which seems to hold temporary favour after this budget, not to get carried away by its obvious satisfaction at apparently having won the challenge facing it. If it wishes to be positively assessed by historians, it should keep in mind that this move is just a battle, not the end of the war against the deficit.

I take the liberty of putting some food for thought on the table. I point out to the government that it is not by adding to the fiscal load of business to create jobs in a tough competitive world that we will solve Canada's problems. The banks have already delivered the message.

My second point is for Mr. Axworthy. We have been flooded with documents from the Minister of Human Resources during the last year. However, nothing concrete has emerged from his activities, either concerning additional flexibility of the labour market or the social security reform. Insofar as the direct services to Canadian manpower are concerned, it would be highly advisable to relinquish the management to the provinces who wish it, as their bureaucracies are smaller and therefore easier to monitor and control. The minister himself has recently described his various and numerous department programs as a mess. He has been in charge for the last year and a half, and he is talking about a mess in his own department. What is he doing?

Third, it is now fashionable to buy departures of professional and management people from the public service at a high cost. It seems to me that the rules should get legislative authorization and not just cursory executive examination if we wish to control abuses. Do not forget that quite often the process is only a transfer from the human resources budget to the pension account, plus cash benefits which decrease the real current budgetary compressions. Notwithstanding all the decisions of past governments in this matter, the federal establishment is still well over 200,000 employees; that is to say, the same as it was ten years ago.

Fourth, our policy towards the aboriginal people is unchanged. It is a disgrace to keep them under a paternalistic regime that has become more and more unacceptable for them and for us.

Fifth, international development programs are no more coherent than they were ten years ago. I will come back to this when I discuss foreign policy.

Sixth, last year, the Minister of Federal-Provincial Relations came to the Standing Senate Committee on National Finance, as did the Minister of Defence, to explain the bad decision of the government relative to CMR St-Jean. Look at the consequences now. There have been 50 per cent less francophone cadets recruited this year.

Instead of waiting for a decade of disastrous impact which would kill any legitimacy of our Armed Forces at home, I repeat my proposition of last year: The government should appoint a committee of wise men from diverse Canadian backgrounds to look carefully into the situation and to propose a reasonable solution.

Seventh, the minister for the public service has reviewed all the governmental agencies which constitute the federal administrative apparatus. That is fine, but if I understand his approach, he is ready to let the managers define their own new initiatives, as long as they do not overspend their budgets. I think this is not the cautious approach required by the difficult times in which we live.

[*Translation*]

Eighth, I note that the government wants to give the provinces back the responsibilities they enjoyed prior to 1945 in the areas of education, health and social assistance. In other words, before bankruptcy is declared, the move is to healthy federalism. However, the minister is taking down the house of cards built in large measure by his own father. I fear that this is not for virtuous reasons; the law is dictated by financial necessity.

I do not, however, wish to assign him any motives. It would not be right to do so. He is, after all, of another generation. Listening to Senator Kirby the other day defending the about-face of his Liberal friends, when he too had a hand in this adventure, I thought to myself that it was a good thing this about face occurred on a divided highway, since otherwise he would have died in a head-on collision.

In closing, honourable senators, I would like to note once again that the budget is cutting programs because we have to pay increased interest costs due in part to the government's negligence in its 1994 budget. We cannot escape our past, honourable senators, and we will talk about this again, next year, God willing.

• (1630)

[*English*]

On motion of Senator Berntson, for Senator Kinsella, debate adjourned.

## REVIEWING CANADA'S FOREIGN POLICY

### RESPONSE OF GOVERNMENT TO REPORT ON SPECIAL JOINT COMMITTEE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Gauthier, calling the attention of the Senate to the recommendations of the Special Joint Parliamentary Committee Reviewing Canadian Foreign Policy, tabled in the Senate on February 14, 1995—(*Senator Andreychuk*).

**Hon. A. Raynell Andreychuk:** Honourable senators, I yield to Senator Pearson.

**Hon. Landon Pearson:** Honourable senators, I rise today to comment on the report of the Special Joint Parliamentary Committee Reviewing Canada's Foreign Policy and the government response to it which was brought to our attention by our honourable colleague Senator Gauthier on February 28 last.

As a result of my long years of involvement in children's issues, I have developed a distinct perspective on the matters with which the committee was concerned. I look at foreign policy first through the eyes of the children whom it might affect: the 130 million school-age children who are not in school; the 10 million who are expected to become infected by the AIDS virus by the year 2000; the millions of children in refugee camps

in war zones; children in the slums of Bombay and New Delhi; the boys in the streets of Rio and Sao Paulo; the little girls in the brothels of Bangkok. On behalf of these children I ask: How well does our foreign policy reflect the international commitment we have made to these and the rest of the world's children?

I would remind honourable senators that in September 1990, Canada signed the declaration and the plan of action which was produced at the World Summit on Children. In December 1991, Canada ratified the UN Convention on the Rights of the Child. I was present on both occasions, accompanied by children who had been chosen by their peers to represent them there. On both occasions I felt proud to be a Canadian.

Let me explain why I consider these international commitments to be so important. For a large part of my adult life, I was a member of the Canadian Foreign Service, representing Canada in countries as disparate as France, Mexico, India and the former Soviet Union. I have known, directly or indirectly, many of the children I have just described.

In Mexico, and especially in India, I worked as a volunteer with children in difficult circumstances who helped me to understand their problems firsthand. My three years in Moscow led to the writing of a book on Russian children which was published in 1990. During my home postings, I was active in the local school system, and helped create a program on children's mental health, which still operates in Ottawa schools. At the same time, I was bringing up four daughters and a son, and learning from them about the special vulnerabilities of the young.

These two sets of experiences have convinced me of the indivisibility of childhood and the global nature of children's issues. The indivisibility of childhood means that there are certain conditions essential for the healthy growth and development of all children, no matter where they live; conditions that are fully recognized and addressed by the UN Convention on the Rights of the Child.

The globalization of children's issues reflects the reality that we all have a stake in the well-being of the world's children, and that global solidarity among children and adults alike is essential to the resolution of such problems as the economic and sexual exploitation of children, the degradations of extreme poverty, and the psychological impact of violence.

Canadians care about these issues. This is demonstrated by the existence of a large number of domestic organizations concerned with children, as well as by the fact that the largest international development organizations in Canada, like Save the Children or the Christian Children's Fund, focus on children's programming and feature children when they appeal for funds.

Although I worked directly with children for years, it was in 1979 when I was the vice-chairperson of the Canadian Commission for the International Year of the Child that I became politicized, for it was then, as we studied the situation of children at home and abroad, and as we travelled across the country, talking to children, that I became conscious of the degree to which children's lives are affected, sometimes inadvertently, by legislation and government action.

From then on, I decided all government policies affecting children, foreign policy included, should be studied from the point of view of how they impact on children's lives.

[*Translation*]

Honourable senators, when my honourable colleague Senator Gauthier was still a member in the other place and I was on the outside, I submitted a brief to the special joint committee on behalf of the Canadian Coalition for the Rights of Children, which I chaired. The members of the committee seemed sympathetic to our remarks, and, although the report did not deal specifically with our concerns, I feel that the overall structure of the recommendations, especially the objectives aimed at protecting our safety in a stable global context and promoting Canadian values and culture, can readily be adapted. The government's response to the committee's report indicated, at least with regard to foreign development aid and individual rights, that our international commitment to children and young people had been recognized.

[*English*]

On the whole and in the long term, I am hopeful that this government has accepted its obligation to care for the world's children, but how this obligation will translate into practice in the present fiscal climate remains to be seen.

In the meantime, like many of the non-governmental organizations who presented before the special joint committee, I would like to see a clear foreign policy statement on behalf of the world's children from the Department of Foreign Affairs and a strategic plan in the Canadian International Development Agency or CIDA, which gives children's issues globally the weight they deserve.

Such a plan should recognize the need to educate our own children about their contemporaries in the rest of the world in order to keep the Canadian population engaged, for the problems facing the world's children, including poverty, illiteracy, war and disease, go well beyond national boundaries and must be dealt with globally through the promotion of national and international partnerships.

The UN Convention on the Rights of the Child and the World Summit on Children, Declaration and Plan of Action, exist to provide a solid basis for coherent international action for children. For the first time in history, an internationally accepted framework exists with guiding principles and targets to guide overseas development policies and programs. This is the time to use it. CIDA is the obvious place to start.

Over the years CIDA has supported many excellent programs related to children, but it has never been clear that there is any coherent strategy. However, as new priorities are now being set by the federal government, a real plan could be developed on behalf of the world's children. Within such a plan I would see three sets of priorities: one for the short term, one for the medium term and one for the long term; priorities which reflect already established international goals.

The immediate priority is to make sure that young children do not die from easily preventable causes. Without a program for child survival, there is not much point in having any type of plan for caring for the world's children.

The medium-term priority is the development of policies and programs which lead to the protection of children in difficult circumstances from those forces which destroy their quality of life, rob them of their childhood, and even kill. Action related to the protection of children — in particular street children, sexually exploited boys and girls, child labourers, children exploited by the drug trade, children in war zones and in refugee camps and child soldiers — should be strengthened over the next one to three years.

The long-term priority is child development. Child development is human resource development, not welfare. Over the past 30 years, programs which support the basic health and education of children have demonstrated positive rates of return for the individual, the community and the country.

• (1640)

I applaud our government for signing the Declaration and Plan of Action at the World Summit on Social Development in Copenhagen two weeks ago. Canada strongly supported the 20-20 proposal which states that developed nations will commit 20 per cent of their official development assistance dollars to basic human needs. Receiving nations will also commit 20 per cent of their national income to basic human needs. Canada defines basic human needs as primary health care, basic education, family planning, nutrition, water, sanitation and shelter. Canada feels so strongly in investing in human resources that we are willing to commit up to 25 per cent of our ODA to basic human needs as a means of addressing the security of the individual.

I am sure we all agree that the deadliest short- and long-term enemy of the world's children continues to be poverty. Long-term measures which strengthen local economies and their infrastructures which promote local self-sufficiency and sustainability will always have a direct positive impact on the well-being of the world's children.

Honourable senators, I appreciate that you may still be wondering why in foreign policy considerations children should be given such a high priority. I should like to put forward two reasons, both of which relate directly to the principles enunciated in the special joint committee's report and reiterated in the government's response to that report.

The first is that to a very considerable extent our future security depends on the conditions in which children throughout the world grow up, conditions which are described in the UN Convention on the Rights of the Child and which it guarantees but which do not yet prevail. There is progress. The convention has now been ratified by 167 countries. For a number of unhappy reasons, the conditions of childhood will probably always be fraught with danger.

I have lived long enough to have learned that the greatest tragedies of our contemporary world are the product not of natural disaster but of human failure. In my lifetime, I have known wars and rumours of wars, man-made famines and the proliferation of pollution-caused diseases. Yet, also in my lifetime, I have watched the collapse of communism, the miracle of the green revolution and the eradication of smallpox.

Last December, I was privileged to represent the Canadian government at the launching of UNICEF's 1995 State of the World's Children report, a report which demonstrated that the goals set by the World Summit on Children are not unrealistic, and that there has been measurable progress toward them. This says to me that when you plan properly, you can make a difference.



At the launching, it was my pleasure to announce that Canada would make a substantial contribution to the eradication of guinea worm disease in children, a mid-decade goal for the World Summit on Children, and the elimination of iodine deficiency in pregnant women, the cause of millions of cases of mental retardation. This is a condition that is easy to remedy by the addition of iodine to salt. However, without the goal set by the World Summit on Children, it would not have been possible to rally the collective action to ensure that that remedy was applied.

Helping children survive is not all we need to do. We must also protect them and improve the conditions of their lives. For if, as UNESCO's constitution says, wars are made in the minds of men, then it is in the hearts and minds of boys and girls that the seeds of peace must be sown.

This leads me to the second of the two reasons why it matters that we continue to care for the world's children. We should do so because it reflects fundamental Canadian values. We must not let our domestic concerns with the deficit, unemployment and the referendum, as well as the daily reminders of our shortcomings depicted so happily by the media, blind us to how we are seen by the rest of the world.

Honourable senators, our reputation is enviable. I know this from my own experience abroad and from the experience of my friends in the international development community. This reputation, a reputation for constructive work, for peace-making and for moral integrity, is based on the quiet contribution of hundreds of thousands of decent Canadians who have lived and worked in all parts of the world, as well as in the international institutions we so solidly support. It is also based on the generosity of Canadians at home of all political persuasions who consistently contribute money and time to international development especially for children.

This reputation is precious. In my view, it gives us more clout in the affairs of nations than either our economic or our military force. To sustain it, we must fulfil the obligations we have formally undertaken toward the world's children. Our own children deserve no less.

On motion of Senator Andreychuk, debate adjourned.

## VIOLENCE IN SOCIETY

INQUIRY—DEBATE ADJOURNED

**Hon. Anne C. Cools** rose pursuant to notice of Wednesday, March 22, 1995:

> That she will call the attention of the Senate to the issues of violence in society, within the family, and children at risk.

She said: Honourable senators, my intention today is to focus on children as recipients of violence in the family. I shall review some of the research and findings on the troubled family and the child at risk.

Before I go on to do that, honourable senators, I would like to commend Senator Pearson for her very first effort in this chamber and for her maiden speech.

**Hon. Senators:** Hear, hear!

**Senator Cools:** It used to be thought that a new member's maiden speech was a difficult phenomenon and one for which they deserved support.

Honourable senators, the understanding of human development and the human psyche is still in its infancy. In 1793, a dramatic hospital reform occurred when Philippe Pinel, a famous French doctor, took over Bicêtre Hospital. Pinel released mental patients from their manacles and chains in which they had been kept. He followed his conviction that the mentally ill required fresh air, liberty of movement and less bondage. The concept that mental illness was a medical disease and not demonology or satanic possession was, indeed, revolutionary.

At the turn of the century, Dr. Sigmund Freud compelled a major shift in medical thinking. He introduced the concept of the unconscious. He introduced the concept that human beings are driven by strong, hidden mental forces. He introduced the theory of neurosis; that is, the notion that psychological states in human beings are related to disturbances and distortions and to developmental difficulties in psychic growth and maturation.

In 1992, the rate of violent crime in Canada was nearly double what it was in 1977. In 1977, the police reported 583 violent crimes per 100,000 people, whereas in 1992 they reported the number of violent incidents had increased to 1122 per 100,000 people — almost double.

At present, as in the past, male offenders are responsible for the overwhelming majority of all criminal offences involving violence in crime. Violent crime, relative to property and other criminal incidents, engenders high levels of public fear, anxiety and frustration. As a result, Canadians are increasingly expressing their concern about safety and security issues. They are expecting action from governments to bring about a demonstrable decrease in interpersonal violence. There is a growing recognition that existing levels of violence in society will not be reduced by hiring more police officers, building more prisons or developing more treatment programs for offenders. If the goal is personal and community safety, then the response to crime must seek to identify and prevent the causal factors associated with crime and violence.

Honourable senators, I should like to read from a 1979 article which appeared in *The Globe and Mail*, entitled, "How One Woman Works to Mend Broken Lives," written about my agency by Rabbi Dr. Gunther Plaut. I quote Rabbi Gunther Plaut quoting me.

• (1650)

> What's different about us, is that we...care about men as well. We don't just help women who are victims...We help the men, too...Violence is all around us...We're here to break the cycle in a few individual lives....We had a husband kick in three doors before we managed to calm him down, and finally the child emerged from the beast that he pretended to be. His greatest fear was that he would breakdown and cry. Well, we helped him to do just that.

When we look at crime and violence, the most obvious fact that leaps to the practitioner or to the student of human deviance is the fact that in the arrest, conviction, and detention of offenders, males outnumber females dramatically. Corrections Canada informs us that there are 14,500 male prisoners in the federal penitentiaries and 300 females. This ratio of almost 50 to 1 — that is 50 men to 1 woman — is either one of profound discrimination, or one that reveals a tragedy of enormous proportions that largely remains unexplained and unexplored. Some explanation and exploration are overdue.

Honourable senators, Dr. Fraser Mustard, President of the Canadian Institute for Advanced Research, recently asserted that the first three years of life are critical and important to a person's development. He said:

> The evidence is overwhelming...These problems are set before the kids hit the educational system. The wiring of the neurons of the cortex —

That is, the cerebral cortex.

> — occurs within the first three years. If you receive bad nurturing in that period you're not as well equipped... A very high priority has to be with the children...

Another great Canadian, Dr. D.O. Hebb, late professor of psychology at McGill University, in his book *The Organization of Behaviour*, in 1949, wrote:

> ...we do not know that juvenile delinquency, associated with broken homes, is due to the home environment and not just as much to the inheritance of the same emotional instability that broke up the home.

Honourable senators, on March 7, 1995, in a speech on International Women's Day, I suggested that comprehension of male abuse in intimate relationships should resist current feminist ideological constraints and should boldly and forthrightly examine the early childhood experience of the abusing male, with especial focus on the relationship between mother and infant son. I stated that mothers' abuse, that is child abuse, of infant sons has a powerful role in the formation of violent male adults. I have suggested, honourable senators, that men are of women born, both biologically and psychologically.

I have also suggested, senators, that mothers are the gate-keepers of children's emotional and mental well-being. The definition and identification of child abuse is difficult. The Minister of National Health and Welfare, Marc Lalonde, in the 1976 Report of the House of Commons Standing Committee on Health, Welfare and Social Affairs entitled, "Child Abuse and Neglect," attempts a definition by saying:

> I would like to say at the outset that I am most pleased that the Committee's terms of reference include the *neglected as well as the abused* child. As many others who have studied the problems of children have recognized, it is neither easy nor desirable to separate physical abuse or battering from other, more *subtle forms of child abuse and neglect*...

> Child neglect, in the legal sense, constitutes all those conditions listed in provincial law and under which a court may find a child neglected, or "in need of protection." Thus the term child neglect covers the abused and battered children, as well as the child whose parents are unable or unwilling to care for him adequately...
>
> Child battering, to use a well-known analogy, represents the tip of the iceberg of *child abuse and neglect.*

In the same report, the Honourable Warren Allmand, then Solicitor General of Canada, stated:

> A first concern and one which plagues everyone dealing with child abuse is that of definition. What exactly is child abuse? Is it merely the physical abuse of a child? Does it include sexual abuse and exploitation? And what about the effects of long-term emotional abuse or sensory deprivation? It seems to me that a definition of child abuse as merely physical abuse of the child does not nearly go far enough. There is enough evidence at present regarding psychosomatic dwarfism or the "failure to thrive" syndrome to suggest that emotional abuse is at least as important as physical abuse...
>
> If we had to arrive at a common definition of child abuse, I would recommend that you consider the one used in the United States' Child Abuse Prevention and Treatment Act... where child abuse and neglect is taken to mean:
>
> ...the physical or mental injury, sexual abuse, negligent treatment or maltreatment of a child under the age of 18, by a person who is responsible for the child's welfare, under circumstances which indicate that the child's health or welfare is harmed or threatened thereby.

Both of these ministers were probing deeply.

Honourable senators, one of the great geniuses who first saw the relationship to violence and child formation was the author Charles Dickens. Dickens, in his great masterpiece *Oliver Twist*, wrote about the association between poverty, orphan children, neglected children, and their association with crime. In 1841, he explained his reasons for writing *Oliver Twist* saying:

> It appeared to me that to draw a knot of such associates in crime as really do exist, to paint them in all their deformity, in all of their wretchedness, in all the squalid poverty of their lives; to show them as they really are, forever skulking uneasily throught (*sic*) the dirtiest paths of life, with the great black, ghastly gallow (*sic*) closing up their prospects; it appeared to me that to do this would be an attempt to do something which was greatly needed and which would be a service to society.

Honourable senators, for 150 years, we have known about the relationship and association between poverty, child neglect, family instability, alcohol, and criminal behaviour. In 1889, street arabs, street urchins, guttersnipes, waifs and such neglected children were very visible on the streets of Toronto. Street arabs or waifs were abandoned children who lived on the streets; guttersnipes were children on the streets who begged, borrowed or stole for their troubled and alcoholic parents. It was estimated that these children on the streets numbered 600 to 700 boys and 100 girls. Honourable senators, I ask you to note again the ratio of boys to girls.

Toronto's John Kelso, instrumental in the Toronto movement for preventing cruelty to animals, was also instrumental in the movement for child protection. In the late 1880s, Ontario's efforts to protect children gained momentum. In 1888, under Liberal Premier Sir Oliver Mowat, Ontario passed the Children's Protection Act giving the authority to commit neglected children to authorized children's homes. Again in 1893, Ontario passed an act for the prevention of cruelty to and better protection of children.

John Kelso's work with child protection, with governments and with the Children's Aid in Society in Toronto and Ontario is legend. These activities advanced to 1908 with the passage by Sir Wilfred Laurier's Liberal government of the Juvenile Delinquents Act, which states in section 31:

> This act shall be liberally construed to the end that its purpose may be carried out, to wit: That the care and custody and discipline of a juvenile delinquent shall approximate as nearly as may be that which should be given by its parents, and that as far as practicable, every juvenile delinquent shall be treated, not as a criminal, but as a misdirected and misguided child, and one needing aid, encouragement, help, and assistance.

You will remember, honourable senators, that Laurier was a great admirer of great Liberal principles and was greatly influenced by Gladstone, a notable Liberal reformer.

• (1700)

Where a child was adjudged to have committed a delinquency, he was to be dealt with, not as an offender but as one in a condition of delinquency and therefore requiring help, guidance and proper supervision. Delinquency was a state or condition in the youth wherein the youth was deemed to require parental care.

**The Hon. the Speaker:** Honourable Senator Cools, I regret to inform you that your time has expired.

On motion of Senator Cools, debate adjourned.

The Senate adjourned until Wednesday March 29, 1995, at 1:30 p.m.

# THE SENATE

**Wednesday, March 29, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

• (1340)

## SENATORS' STATEMENTS

### JUDY GINGELL

CONGRATULATIONS ON APPOINTMENT AS COMMISSIONER OF THE YUKON

**Hon. Paul Lucier:** Honourable senators, a few minutes ago, the Minister of Indian Affairs and Northern Development announced the appointment of Mrs. Judy Gingell as Commissioner of the Yukon Territory. As you know, the role of Commissioner in the territory parallels that of Lieutenant Governor in the provinces.

Mrs. Gingell, who is presently Chair of the Council for Yukon Indians, is known to most of you through her tireless work on behalf of the Yukon aboriginal peoples, particularly during the passage of Bills C-33, C-34 and C-55 through this chamber in late 1994. The Yukon is very proud of Mrs. Gingell. I would like to thank Prime Minister Jean Chrétien for this great appointment.

I also want to thank our present commissioner, Mr. Ken McKinnon, for the fine work that he has done on our behalf during his term in office. Ken McKinnon and his wife, Judy, have worked hard, particularly during the 50th anniversary celebrations of the building of the Alaska Highway recently, and have been good ambassadors for our territory.

On behalf of all Yukoners, I say welcome to Mrs. Gingell and thank you to Ken and Judy McKinnon.

**Hon. A. Raynell Andreychuk:** As Chair of the Standing Senate Committee on Aboriginal Peoples, I am sure I speak for the members of the committee in extending our best wishes and congratulations to Mrs. Judy Gingell.

The committee had the opportunity of working with her through the passage of the Yukon bills, which were very difficult, complex and contentious. Mrs. Gingell was at the end of her process as we were beginning ours. I believe that she brought to the Yukon issues a sense of caring, mission, and hard work, and she will carry that through to her work as commissioner. On behalf of myself and the committee, I extend best wishes to her in her new position.

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## ROUTINE PROCEEDINGS

### TREATMENT OF ABORIGINAL VETERANS

REPORT OF ABORIGINAL PEOPLES COMMITTEE TABLED

**Hon. A. Raynell Andreychuk:** Honourable senators, I have the honour to table the ninth report of the Standing Senate Committee on Aboriginal Peoples concerning its order of reference on the treatment of aboriginal veterans following the First and Second World Wars and the Korean War. The report is entitled "The Aboriginal Soldier After the Wars."

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

**Senator Andreychuk:** Honourable senators, with leave of the Senate and in accordance with rule 97(3), I move that this report be taken into consideration now so that I may say a few words.

**The Hon. the Speaker:** Is leave granted?

**Hon. John Lynch-Staunton (Leader of the Opposition):** Later this day.

Motion agreed to, and report placed on the Orders of the Day for consideration later this day.

### BORROWING AUTHORITY BILL, 1995-96

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-73, to provide borrowing authority for the fiscal year beginning on April 1, 1995.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** With leave, later this day.

**The Hon. the Speaker:** Is leave granted?

**Honourable senators:** Agreed.

Motion agreed to, and bill placed on Orders of the Day for second reading later this day.

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## QUESTION PERIOD

### TRANSPORT

PEARSON AIRPORT AGREEMENTS—AUTHORSHIP OF DEPARTMENTAL REPORT—REQUEST FOR CLARIFICATION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, yesterday in the House of Commons, in

answer to a question concerning a Department of Transport report dated November 4, 1993, touching on the Pearson airport agreements, the Minister of Transport replied as follows:

> What the honourable member might be better off doing is checking with the members of the staff at Transport Canada, including the deputy minister and assistant deputy minister...

— who, says the minister, were not privy to writing the report. Not only that, they —

> ...were sent home because the government that was there at the time the deal was done did not like the kind of advice it was getting from senior public servants at Transport Canada.

If this report was not sanctioned by senior Department of Transport officials, can the Leader of the Government indicate who the authors of this report are and who authorized its distribution under Minister of Transport letterhead?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will ask those questions directly of the Minister of Transport.

PEARSON AIRPORT AGREEMENTS—INSTRUCTIONS TO MR. NIXON ON HIS MANDATE TO REVIEW—GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** I should like to help the Leader in her search for information by asking the following question: The mandate of Mr. Nixon was provided for in a contract agreement between the Privy Council and himself, effective October 28. Honourable senators, on October 28, the Conservative government was still in office. Mr. Nixon's mandate was to review all factors relating to the agreement between Pearson Development Corporation and Transport Canada for the redevelopment of Terminals 1 and 2 at Lester B. Pearson International Airport, and to produce a report by November 1, 1993. The report I previously asked about contains the background material for Mr. Nixon in preparation of his review. This is confirmed by one of the first pages in the report which states:

> Issue: Review the transfer of Pearson International Airport's Terminals 1 and 2 to Pearson Development Corporation under long-term lease.

This is a report submitted by Department of Transport officials to Mr. Nixon dated November 4, a few days after he was officially engaged under the previous government to look into the agreements.

How can the Minister of Transport detach himself from briefing notes which were authorized by his department to help Mr. Nixon, who had been hired by Mr. Chrétien, then Leader of the Opposition, to review the airport agreements?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will take the comments of Senator Lynch-Staunton in the helpful way in which they were offered and seek to have a response for him as quickly as I can.

**Senator Lynch-Staunton:** Cabinet solidarity can only take the Leader of the Government so far, I am afraid. We have here a blatant disregard for facts on the part of the Minister of Transport; something that has been going on for nearly a year. This is a public document, tendered by the Crown as an official submission of the Government of Canada to the court in Toronto. To have it dismissed by the present Minister of Transport in such a cavalier fashion is an insult to what government is all about.

Here are not only the briefing notes from Mr. Nixon, but also the options that he is given: Possible outcomes of review: One, cancel the deal; two, renegotiate or restructure the deal. There is nothing about a third option, in other words "agree to the deal."

Those who have been pointing to the flaws in the Nixon report have now found the greatest flaw of all: that Mr. Nixon was directed by the Government of Canada on what to say, even before he had a chance to review the agreements. I ask the Leader of the Government: Is that right, or is that not right?

**Senator Fairbairn:** Honourable senators, I will seek the answers to my friend's questions from my colleagues.

PEARSON AIRPORT AGREEMENTS—VERBAL STATEMENTS OF MINISTER OF TRANSPORT—REQUEST FOR WRITTEN CONFIRMATION

**Hon. Lowell Murray:** Honourable senators, regarding the statements attributed to the Minister of Transport yesterday in the House of Commons, I think it should be pointed out that the report in question is dated November 4, 1993, which, as my honourable friend will recall, was the day on which the Chrétien government took office. Thus the report would be the responsibility of the new government and of its officials.

That being said, I am naturally interested in and concerned with the statement that Mr. Young made, quoted earlier by the Leader of the Opposition:

> "What the honourable member might be better off doing is checking with the members of the staff at Transport Canada, including the deputy minister and assistant deputy minister..."
>
> They "not only were not privy to writing the report,"..."but were sent home because the government that was there at the time the deal was done did not like the kind of advice it was getting from senior public servants at Transport Canada."

• (1350)

The writer of the article in *The Toronto Star* then says:

> But Young appeared to backtrack later, denying he was saying the report was pre-cooked by his Tory predecessors.

Honourable senators, would the Leader of the Government in the Senate obtain, within the next day or two, a written statement from the Minister of Transport as to just what he did mean by those statements?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Murray for his question and comment. I will certainly ascertain from the minister what statements were made. I would prefer to do that, rather than take them from a newspaper.

PEARSON AIRPORT AGREEMENTS—DEFINITION OF LEGISLATIVE SOLUTION—GOVERNMENT POSITION

**Hon. Finlay MacDonald:** Honourable senators, *The Globe and Mail* of last Tuesday reported that Liberal senators were stalling debate on the motion of Senator Lynch-Staunton to set up an inquiry on Pearson International Airport. I disagree. The writer did not understand. Standing the motion for a few days is a perfectly legitimate proceeding, obviously intended to give the government time for thought. The Honourable Leader of the Government in this place said that she would reply soon.

Surely it is not necessary to disabuse the honourable leader or her colleagues of any thought that legislative solutions, to which she referred yesterday — not once, but several times — are completely unrelated to the motion to set up an inquiry.

My question is: Can the Leader of the Government tell us what she means by a "legislative solution"? A solution to what?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my comments referred, as they always have, to the hope that, through discussions, we will come to a legislated conclusion on Bill C-22. There is nothing more complicated than that. I continue to maintain my hope and optimism that we will find a method through which to deal with that legislation and move on.

[*Translation*]

PEARSON AIRPORT AGREEMENTS—REDEVELOPMENT OF TERMINALS 1 AND 2—REQUEST FOR INFORMATION

**Hon. Pierre Claude Nolin:** Honourable senators, my question is directed to the Leader of the Government in the Senate. Since you will ask your colleague, the Minister of Transport, to answer a few questions, I would like to add five more to the list.

I am referring to the briefing document Mr. Nixon was given before he started his in-depth review of the terms of the contract to redevelop Terminals 1 and 2 at Toronto airport.

Yesterday, the Minister of Transport condemned the lack of quality and integrity of this briefing document. Why did he do so? That is my first question.

I am giving you these questions, but I do not expect an answer today. The answers could be sent later, like the one I received yesterday. I do not mind waiting a few days.

Second, did your government review this evaluation before tabling Bill C-22? I may remind the Leader of the Government that this document mentioned two figures for the potential revenues for the Government of Canada from the operation of Terminals 1 and 2 at Toronto airport.

These figures are as follows: If the administration and management of both terminals were the responsibility of Pearson Development Corporation for the duration of the contract, the net revenues for the federal government would be $843 million. The briefing document Mr. Nixon was given goes on to say that if the public sector continued to administer the terminals, revenues would be $595 million. Clearly, revenues would go up by $248 million if the private sector got to work and started redeveloping the two terminals.

Did your government review this financial data before tabling Bill C-22?

Third question: What new figures did you come up with if you did review this financial data?

Fourth question: Since you came to power, has your government taken into account the financial losses suffered by both terminals as a result of a lack of facilities at the two terminals?

My last question is perhaps more general in nature. Perhaps I should have started with this one. We are talking about a clear 42 per cent increase in net revenues from operating a terminal. When you nearly dismiss out of hand agreements that generate these increased profits, if I may use that expression, do you consider this to be in the interests of Canadians?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will add Senator Nolin's five questions to the list and respond to all senators on this matter as quickly as possible.

## ATLANTIC CANADA OPPORTUNITIES AGENCY

REQUEST FOR INFORMATION ON PROJECTS

**Hon. Gerald J. Comeau:** Honourable senators, my question is also directed to the Leader of the Government in the Senate. It is in relation to the Atlantic Canada Opportunities Agency. The minister responsible for ACOA has done it again. I have recently learned that the minister responsible for ACOA has removed the only francophone representative on the board from southwestern Nova Scotia and has named his replacement from the minister's own region of Cape Breton.

In addition to that, there has been some speculation about the distribution of funding by ACOA to specific areas of Atlantic Canada. I understand that my colleague in the other place, Elsie Wayne, has been attempting, for the last 179 days, to obtain a list of the projects which have been funded by ACOA, and she has yet to receive a reply.

Given that serious questions are being raised regarding the minister's apparent bias, I am sure that some members in this chamber would also be interested in receiving the list of projects.

Will the leader please advise us why the minister responsible for ACOA has refused to release public information while, at the same time, handing out over 183 projects in his own riding, totalling at least $17 million? If she cannot so advise, would she

at least call upon her colleague to make that information available immediately?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to pass these questions on to my colleague and request answers as quickly as possible.

## TRANSPORT

PEARSON AIRPORT AGREEMENTS—
IMPLICATIONS OF ALLEGED INVOLVEMENT OF PRIME MINISTER—
REQUEST FOR CLARIFICATION

**Hon. Orville H. Phillips:** Honourable senators, on December 6, 1994, I asked a question dealing with Mr. Chrétien's participation as a lawyer in a meeting between Lang Michener and the Matthews Group in the Pearson consortium. In a written reply, the Prime Minister stated:

> I never had, as a lawyer, any discussion about the Toronto Airport with any of these people.

If Mr. Chrétien did not attend the meeting as a lawyer, what was his function at the meeting? Was he a lobbyist, was he consultant, or was he a fund-raiser for himself?

• (1400)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I draw the attention of my honourable friend to remarks made by the Prime Minister on Monday in the House of Commons and repeated here yesterday by me, to the effect that the Prime Minister did not meet with representatives of that group on the issue of Pearson airport. He was present at a meeting, but the subject was not on the issue of Pearson airport.

**Senator Lynch-Staunton:** What was it, then?

**Senator Fairbairn:** I undertook to find that answer for you yesterday, Senator Lynch-Staunton.

**Senator Phillips:** Honourable senators, did I understand the Leader of the Government to say that she would attempt to find out what this hour and a half meeting was about? Mr. Labarge of the same law firm was present with Mr. Chrétien, as was a representative of the Matthews Group. It is difficult to imagine a representative of the Matthews Group being present at an hour and a half meeting without mentioning their principal project.

**Senator Fairbairn:** Honourable senators, if my honourable friend will reread the response given by the Prime Minister, he will see that Mr. Chrétien said just that. Indeed, he consulted the lawyer who was present for confirmation of the fact that Pearson airport was not a topic of conversation at all at that meeting.

I do not know what type of lawyer-client relationship is involved here. However, I have undertaken to my friend Senator Lynch-Staunton to seek any clarification I can get as to the subject of the meeting. Both the Prime Minister of Canada and the lawyer who attended the meeting have been clear in stating that Pearson airport was not the subject of discussion.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, Mr. Matthews also attended the meeting.

[ Senator Comeau ]

He said that they did discuss the Pearson airport. Is the Leader of the Government saying that the client and the lawyer are contradicting each other in terms of the topic that was brought up in the presence of Mr. Chrétien?

**Senator Fairbairn:** I am simply saying, honourable senators, that Prime Minister Chrétien, who attended the meeting, said that no discussion concerning the Pearson airport took place. His statement was confirmed by the lawyer who was also present at that meeting. That is all I am saying.

INSTITUTION OF PUBLIC INQUIRY—GOVERNMENT POSITION

**Hon. Orville H. Phillips:** Would the Leader of the Government consider speeding up the public inquiry process so that we can have these people testify under oath in order to determine who is telling the truth?

**Hon. Joyce Fairbairn (Leader of the Government):** The one commitment I can give to my friend is that I will certainly speed up the answers as fast as I can.

UNDERUTILIZED INFRASTRUCTURE AT CANADIAN PORTS—
NEED FOR PROPOSED NEW BERTHAGE
AND CARGO SHEDS IN MINISTER'S RIDING

**Hon. Erminie J. Cohen:** Honourable senators, early in February of 1994, the Minister of Transport commented on the future of surface and marine transport in Canada, stating the following:

> If people want to hang on to all the railways and all facilities on the marine side and want to build new highways at the same time...that's just not in the cards.

Honourable senators, it is a well-known fact that there is an overcapacity in Canadian ports with too much underutilized infrastructure. As a representative of the Saint John Port Corporation stated to the House of Commons Standing Committee on Transport, on March 16, 1995:

> In many cases, the Federal Government as the shareholder of ports is competing against itself.

My question to the Leader of the Government in the Senate is this: Considering these facts and the minister's statements about restraint, how can the government justify spending $20 million on new berthage and cargo sheds in the Transport Minister's home riding at Belledune, New Brunswick, especially since there is excess capacity at the Port of Dalhousie, only 32 kilometres away?

**Hon. Joyce Fairbairn (Leader of the Government):** I will be happy to seek a response to that question for the Honourable Senator Cohen.

## BUSINESS OF THE SENATE

ORDER PAPER QUESTIONS—REQUEST FOR ANSWERS

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, with respect to delayed answers, I am somewhat curious. I know the title is self-explanatory, that answers will come at some later date and that written answers will come to written questions.

There are four questions on the Order Paper which stand in my name. Two are from January 1994, while the remaining two date back to October 1994. They are not terribly complicated questions. One is quite straightforward. It states:

> Has the Department of National Defence's A-310 Airbus been put up for sale?
>
> Have any purchase offers been forthcoming? If the answer is yes, what is the list of prospective buyers?

Those questions do not seem terribly complicated. Yet, I have been waiting for over a year for the answers. Can the leader or her deputy look into why it is taking so long to get answers to these seemingly uncomplicated questions?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I agree with my honourable friend. Those are written questions. I will do everything I can to get them answered more swiftly.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, perhaps I could add to the general confusion with respect to delayed answers. We are always urging the various departments to get the answers to us as quickly as possible. As a matter of fact, I received a note from Senator Oliver asking about a question he had put on the Order Paper in February. There are 18 or 20 parts to his question.

Senator Murray will remember that for a year or two I was asking questions about the LaPrade Fund when he was the Leader of the Government. They were particularly complicated questions and answers. I have yet to receive the answers. The situation has not changed really. I wish to assure members opposite that we are doing our best.

Today, I have three responses to questions. The first is in response to a question raised in the Senate on February 14, 1995, by the Honourable Senator Sylvain regarding disciplinary practices in the Canadian Armed Forces. The second is in response to a question asked on February 16, 1995, by the Honourable Senator Forrestall, regarding the abolition of the Atlantic Region Freight Assistance. The last response is to a question raised on February 22, 1995, by the Honourable Senator Stratton regarding the capital gains election.

## NATIONAL DEFENCE

### DISCIPLINARY PRACTICES IN CANADIAN ARMED FORCES

*(Response to question raised by Hon. John Sylvain on February 14, 1995)*

> The action depicted in the Airborne initiation video has been thoroughly investigated. Appropriate measures will be taken to ensure that this type of action does not recur. Each member of the Canadian Forces is accountable to their superiors, subordinates and peers for their action or inaction. The decision to replace the Commander Land Forces Central Area was a decision made by the Chief of the Defence Staff on the basis of this principle of accountability. As pointed out in the reasons given by the Chief of the Defence Staff, there was a failure by the Commander, Land Force Central Area, to thoroughly review the videos and properly inform his superior of their content. This failure on his part misled the Chief of the Defence Staff and caused him, in turn, to mislead the Government. The Chief of the Defence Staff held the Commander, Land Forces Central Area, accountable for his actions and considered this incident to be sufficiently serious to cause his removal from command without the benefit of waiting for the public inquiry.
>
> The terms of reference of the public inquiry announced by the Minister of National Defence include the investigation and report on the conduct depicted on the video, the chain of command system, leadership within the chain of command, discipline, operations, actions and decisions of the Canadian Forces and the actions and decisions of the Department of National Defence and, without restricting the generality of the foregoing, other matters related to the pre-deployment, in-theatre and post-deployment phases of the Somalia deployment.
>
> Discipline in the Canadian Forces is of paramount concern to all involved in defence matters. While discipline is the responsibility of everyone in the Canadian Forces, the heaviest burden lies on the shoulders of Commanding Officers who must enforce discipline on their subordinates. It is a duty that is taken very seriously and, needless to say, the responsibility for discipline and accountability for one's actions increases with increased rank in this domain, as in others.

## TRANSPORT

### ABOLITION OF ATLANTIC REGION FREIGHT ASSISTANCE— POSSIBILITY OF NOTICE TO STAKEHOLDERS

*(Response to question raised by Hon. J. Michael Forrestall on February 16, 1995)*

> The review of all subsidies under the jurisdiction of the Minister of Transport has been the subject of discussion in many fora since the February 1994 Budget. As early as June 1994, the Minister of Transport outlined in Thunder Bay the policy thrusts of these reviews, and the February 1995 Budget decisions represent the final step in the process, whereby the government has announced the mechanisms for repeal of the MFRA/ARFAA subsidies and a transitional adjustment program.
>
> As announced in the Minister of Finance's Budget speech on February 27, the government has decided that the Atlantic Region Freight Assistance Program under MFRA/ARFAA will be eliminated. Transitional funding of $326 million will be provided to provinces over five years.

The program was subject to an extensive review by Transport Canada in 1994. An Information paper describing the results was widely circulated to stakeholders in July 1994. Since then stakeholders have been thoroughly consulted on the report and on the future of the program.

The decisions on the Atlantic Region Freight Assistance Program are part of a comprehensive strategy to create an integrated and affordable national transportation system that is more responsive to user and community needs. This involves radical change to the historic practices of direct and indirect subsidy, in all regions and in all transport modes. To increase efficiency, reduce the burden on taxpayers, and shift the costs of providing transport services onto those who benefit directly from the system, broad subsidization will be replaced by focused and responsible investments in infrastructure and technology.

The transitional funding is intended to facilitate adjustment by users and provide equitable treatment of regions and modes. Agreements will be negotiated to transfer the funds to the Provincial governments, to be used by individual shippers, or for investments in highways or other transportation initiatives that enhance system efficiency.

## REVENUE

### INCOME TAX—CAPITAL GAINS ELECTION—EFFECT ON SENIORS

*(Response to question raised by the Hon. Terry Stratton on February 22, 1995)*

As was correctly pointed out, individuals who elect to utilize the $100,000 lifetime capital gains exemption on their 1994 tax return must include capital gains into net income and then take an offsetting deduction for those gains that are exempt.

The increase in net income resulting from the election may affect many benefits, such as the child tax benefit, the goods and services tax credit, the guaranteed income supplement, the old age security and unemployment insurance repayments, as well as a number of non-refundable credits. As a result, individuals of all age groups who benefit from the LCGE, including those over age 65, may be required to incur some costs in exempting their gains. This potential cost of using the exemption was clearly pointed out in the 1994 budget.

However, it is important to recognize that individuals would have been subject to the same measure had they actually disposed of their assets prior to the elimination of the $100,000 LCGE. In previous years, individuals who wished to utilize the exemption also had to include all gains into net income and then take a deduction for the exempt gains.

The exemption has been eliminated in a fair manner. Gains that accrued prior to the 1994 budget qualify for the exemption. The costs associated with using the election must be put within the context that individuals can realize up to $100,000 of accrued capital gains tax free. Tax filers must determine on an individual basis whether these benefits outweigh the costs associated with the election.

In light of the generous treatment already being provided to individuals with accrued gains, the government believes the current system is fair.

Revenue Canada has undertaken a number of initiatives to inform the public of the capital gains election and to provide information on how to claim a capital gains exemption in 1994.

In May 1994, Revenue Canada made a fact sheet available to the public in all tax services offices across the country providing basic information on the elimination of the capital gains exemption and the availability of a capital gains election. The fact sheet was also sent to all media in Canada and to the Parliament Hill offices of Members of Parliament. In addition, Revenue Canada made special efforts to reach clients through specialized media, including such publications as *The Cottage Magazine*, *Canadian Stamp News*, and *Reader's Digest*, as well as seniors' media. The fact sheet was also sent to certain associations, such as financial associations, tax preparers associations and cottagers associations.

Later, in August 1994, the Department issued an article to inform cottage owners of tax changes that could affect them. This article was distributed to over 300 local weeklies and cottage magazines.

Communications staff gave numerous interviews to print and electronic media on the topic over the year.

A Departmental release was issued in December 1994 to general and specialized media to announce the availability of two capital gains election packages. One package is specifically designed for seniors who have simple investments and who file the TlS-A Income Tax and Benefit Return. The other package is more detailed. The two packages contain information on the tax advantages and tax implications of filing an election as well as tax tips.

Revenue Canada has also set up a national toll-free service for people who need information and assistance on how to file an election. The numbers are: 1 -800-959-8281 for English enquiries and 1-800-959-7383 for French enquiries. People can also contact any tax services office for more information on capital gains. Revenue Canada enquiries agents have been trained and are prepared to answer any questions on this topic.

Information on the election has been added to all relevant Revenue Canada publications for the 1994 taxation year, including the income tax guides and the material distributed to our community volunteers. Information has also been added to Revenue Canada's Tax Information Phone Service. Messages advising the public of the changes, as well as the availability of the fact sheet and the election packages, have been placed on the Tax Information Phone Service bulletin board.

Studies have not been undertaken to determine the effectiveness of the measures in informing the public. However, Revenue Canada does consult clients on an ongoing basis to request input on the effectiveness of its information services, forms and guides. The measures put in place with respect to the capital gains election are as comprehensive as those undertaken concerning legislative changes of similar impact.

## ANSWER TO ORDER PAPER QUESTION TABLED

GOVERNMENT FUNDING OF CANADIAN JEWISH CONGRESS ARCHIVES

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 66 on the Order Paper—by Senator Berntson.

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# ORDERS OF THE DAY

## APPROPRIATION BILL NO. 4, 1994-95

SECOND READING—POINT OF ORDER—SPEAKER'S RULING

On the Order:

Motion of the Honourable Senator De Bané, P.C., seconded by the Honourable Senator Losier-Cool, for the second reading of Bill C-79, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.—(*Speaker's Ruling*).

**The Hon. the Speaker:** Honourable senators, yesterday a point of order was raised by the Honourable Senator Tkachuk. I am now prepared to give my ruling.

The point raised yesterday by the honourable senator concerned Bill C-79, primarily on the grounds that the bill goes beyond the scope of what is allowed in a supply bill. He argued that the bill is not in order for four reasons.

First, he argued that since Bill C-79 seeks borrowing authority for the Canadian Museum of Nature, it does not fit the criteria for Supplementary Estimates as laid down by *Beauchesne's Parliamentary Rules & Forms*, 6th Edition as described in citation 946, page 260.

Second, he argued that since the National Museums Act does not allow the museum to borrow money, Bill C-79 contains an item which is legislative in nature, specifically, Vote 76d as described in the schedule to the bill. The senator referred to a ruling by the House of Commons Speaker on March 25, 1981, in which the Speaker took the position that it should not be permitted that "a supply item be used to obtain authority which is the proper subject of legislation."

Third, consistent with past rulings of the Speaker in the other place, the honourable senator stated that it is not in order to seek borrowing authority in Supplementary Estimates. The role of the Estimates is to authorize spending, not borrowing.

Fourth, Senator Tkachuk felt that it is an affront to the privileges of Parliament to seek authority to borrow an unlimited amount of money for unspecified purpose, especially in a supply bill.

May I be permitted to comment at the outset, in case there is any doubt by those observing our proceedings as to what is the role of the Senate in matters of supply. As far as I am aware, the Senate has never overturned the recommendations of the Ross Report of 1918, which was the report of a special committee of the Senate to consider the question of determining what are the rights of the Senate in matters of financial legislation and whether, under the provisions of the British North America Act, 1867, it is permissible for the Senate to amend the bill embodying financial clauses. This report, which was adopted by the Senate on May 22, 1918, stated:

> The Senate of Canada has, and always has had since it was created, the power to amend Bills originating in the Commons appropriating any part of the revenue or imposing a tax by reducing the amounts therein, but has not the right to increase the same without the consent of the Crown.

• (1410)

[*Translation*]

The most recent case of the Senate amending a supply bill occurred as recently as May 11, 1989, when the Senate amended Bill C-14.

With regard to the first point raised by Senator Tkachuk, that the bill does not fit the criteria for Supplementary Estimates as laid down by Beauchesne's, I must observe that, in my opinion, Beauchesne's is discussing the business of supply from the perspective of the Standing Orders and practices of the House of Commons. The Commons has established a rather complex procedure for dealing with supply that is based on a series of rules which incorporate referring Estimates to various standing committees for specified lengths of time, procedures for the opposition to express grievances and motions of non-confidence before supply is granted, and the designation of specific time periods for disposing of the various types of appropriation bills. Very few of these procedures have relevence for the way supply is dealt with in this place. The Senate has only two rules in our rule book which deal with supply — rules 81 and 82. Rule 81 states:

[*English*]

> The Senate shall not proceed upon a bill appropriating public money that has not within the knowledge of the Senate been recommended by the Queen's representative.

Rule 82 states:

> A bill of aid or supply shall not have annexed thereto any clause the matter of which is foreign to and different from the matter of the bill.

It is my belief that neither of these rules have been breached by Bill C-79.

[*Translation*]

Senator Tkachuk's second point is that Bill C-79 contains an item which is legislative in nature. However, it appears to the Chair that this point is related more to a question of law than to parliamentary procedure. Whether or not the National Museums Act allows the corporation to borrow money and whether Vote 76d conforms to the provisions of the Financial Administration Act, are matters of legal interpretation. Bourinot's *Parliamentary Procedure*, 4th edition, page 180 states quite clearly that the Speaker "will not give a decision upon a constitutional question, nor decide a question of law, though the same may be raised on a point of order or privilege."

[*English*]

Concerning the third point of this argument, here again the Senate is referring to the procedures of the House of Commons. I am not sure it is wise to refer to rulings from the other place on matters where the procedures of the two houses are so different. With regard to the ruling of December 9, 1975, which Senator Tkachuk cited, in which the Commons Speaker ruled that a borrowing authority clause could not be included in a supplementary supply bill, among the reasons given by the Speaker, described in the book *Selected Decisions of Speaker Jerome* on page 78, was the following:

> Since a supply bill is concurred in without debate and without amendment, the strictest interpretation of the rules has to be applied to all clauses of the bill, that is to say, that all clauses of the bill must be based on estimates if the guillotine is to apply.

In the Senate, we have not established any specific guillotine or time allocation rules with regard to debating appropriation bills. They are treated like any other bills. Our procedure here is very different from that of the other place and therefore the reasons given by the Speaker, in my opinion, do not apply as far as the procedures of this chamber are concerned.

Finally, with regard to the point that the provisions of the bill are an affront to the privileges of the Senate, I am not sure that privilege is involved here. If it was, there is a specific procedure for raising questions of privilege in the Senate. I do not think it appropriate that the Senate should be rising on both a point of order and a question of privilege at the same time.

For these reasons, I think that Senator Tkachuk does not have a valid point of order. My ruling does not mean he or other senators who object to this vote have no other procedures for recourse open to them.

[ The Hon. the Speaker ]

[*Translation*]

**Hon. Pierre De Bané:** Honourable senators, I move second reading of Bill C-79, Appropriation Bill No. 4, 1994-95, following the Speaker's decision.

## BUSINESS OF THE SENATE

[*English*]

**Hon. C. William Doody:** Honourable senators, this is a most unusual procedure. The committee report has not been dealt with, yet we are moving second reading of the appropriations bill. If it were the intention of the house to move the bill through without reference to the committee report, in the first place, it would be pointless to send material to the committee to have it studied.

Honourable senators, to my knowledge this procedure has never before occurred in this place. The Standing Senate Committee on National Finance sat for a long time and made an effort to answer the questions raised in that bill. Now we will move on to second reading without reference to the committee report.

May I suggest, in the interest of sanity if nothing else, that we move ahead to the committee report, deal with it first, get if off the Order Paper, and then deal with second reading? This is a strange way of doing business.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I could not agree more with my honourable friend opposite. That is exactly the procedure I proposed in an earlier discussion with members opposite.

Honourable senators, I am pleased to move, with leave, that the Senate proceed to Reports of Committees, order number 2, to give Senator Doody a chance to report and speak on the report of the committee.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

## THE ESTIMATES, 1994-95

### REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (D) ADOPTED

The Senate proceeded to consideration of the eleventh report of the Standing Senate Committee on National Finance concerning the examination of Supplementary Estimates (D), laid before Parliament for the fiscal year ending March 31, 1995.—(*Honourable Senator Doody*).

**Hon. C. William Doody** moved the adoption of the report.

He said: Honourable senators, I will not take much time. I said most of what I wanted to say yesterday.

Honourable senators, the report distributed yesterday is a rather comprehensive report and deals with Supplementary Estimates (D), which are the fourth and final Supplementary Estimate for the 1994-95 fiscal year.

For several years, the committee has attached to its report several helpful explanatory tables prepared by the Treasury Board Secretariat. The table entitled "Summary of Expenditure Framework and Estimates for 1994-95" shows for these and earlier Supplementary Estimates, and also for the 1994-95 Main Estimates, total expenditures which are broken down into budgetary and non-budgetary expenditures, as well as amounts to be voted and statutory items. I will not read those numbers into the record because they are already attached as an appendix to the Orders of the Day.

The report describes in more detail how projected budgetary expenditures of $162.9 billion — also known as the "expenditure framework" — were arrived at. Honourable senators will have noted that Supplementary Estimates (D) include several large positive and negative changes to statutory expenditures, including $290 million less for unemployment insurance benefits, and a net increase of $470 million in transfer payments to the provinces for health services, post-secondary education, social assistance and in transfers to individuals for various Old Age Security programs.

• (1420)

The largest item is a reduction of $2.3 billion in the Public Debt Program of the Department of Finance. This represents interest payments on the public debt which the government explains by stating that a forecast rise in interest rates occurred later in the fiscal year than predicted. Supplementary Estimates (B), reported earlier, contained an increase of $3.3 billion for public debt payments to take account of higher-than-forecast interest rates. Obviously, the government forecasts are vulnerable to swings in exchange rates, making the forecasting of these rates an uncertain science at best.

There were a number of other changes, pluses and minuses, in the Estimates which are outlined in detail in the report that we tabled yesterday. Honourable senators who are interested in the financial state of the nation should examine them. I will not go into any further detail right now. I commend the report to the Senate for its approval.

Motion agreed to and report adopted.

[*Translation*]

## APPROPRIATION BILL NO. 4, 1994-95

SECOND READING

**Hon. Pierre De Bané** moved second reading of Bill C-79, for granting to Her Majesty sums of money for the public service of Canada for the financial year ending March 331, 1995.

He said: Honourable senators, the bill which is before you today, Appropriation Act No. 4, 1994-95, Bill C-79, provides for the release of credits in the amount of $1.5 billion, as provided for in Supplementary Estimates (D) for 1994-95.

The Supplementary Estimates (D) for 1994-95 were tabled in the other place on March 2. They were examined in committee with officials of Treasury Board on March 23, 1995, as was said earlier by the Chairman of the Senate Committee on National Finance, Senator Doody.

Net expenditures previously forecast by the Government of Canada have been reduced in the Supplementary Estimates by a total of $360 million. A-base expenditure forecasts which have already been approved by Parliament have been reduced by $1.9 billion. A sum of $1.5 billion, however, remains to be approved by Parliament by means of a supply bill.

[*English*]

Some of the major items provided for in this appropriation bill include, first, an amount of $530 million for the write-down of the investment in the Lloydminster upgrade by Natural Resources Canada, following the sale of Canada's interest to Husky Oil and Saskatchewan. The write-off had been anticipated and charged to the deficit in prior years. Second, an amount of some $260 million is provided for operating requirements in a number of departments and agencies, representing the 5 per cent operating budget carry-forward from 1993-1994. This initiative was announced by the Minister of Finance in his February 1994 budget. Finally, I should like to draw the attention of honourable senators to the $200 million for the civil reduction plan in the Department of National Defence.

**Hon. Noël A. Kinsella:** Honourable senators, would Senator De Bané respond to a question? On page 6 of the bill, reference is made to that vote concerning the ruling we just received. Reference is also made to the Canadian Museum of Nature and section 12 of the National Museums Act.

Does Senator De Bané know whether or not that act is the correct act? Was that act not repealed and replaced with the Museums Act? Section 12 of the National Museums Act and section 12 of the Museums Act speak of different things. Is this an error? Have you checked into that?

**Senator De Bané:** Honourable senators, unfortunately I have not looked into this matter.

**The Hon. the Speaker:** It was moved by the Honourable Senator De Bané, seconded by Honourable Senator Hervieux-Payette, that this bill be read the second time. It is your pleasure, honourable senators to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator De Bané, bill placed on Orders of the Day for third reading at the next sitting of the Senate.

## APPROPRIATION BILL NO. 1, 1995-96

SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator De Bané, P.C., seconded by the Honourable Senator Pearson, for the second reading of Bill C-80, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996.

**Hon. Pierre De Bané:** Honourable senators, I move second reading of this bill.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. C. William Doody:** Honourable senators, for the record, these are the Main Estimates — that is, the main supply bill for the coming year. They have been referred to the Standing Senate Committee on National Finance and are being examined now. We will continue to examine them over the year. Our first meeting is on April 26 and we will hear the minister and the President of the Treasury Board at that time. We will continue on from there. However, that in no way precludes the passage of the supply bill as moved by Senator De Bané.

On motion of Senator De Bané, bill placed on Orders of the Day for third reading at the next sitting of the Senate.

## BORROWING AUTHORITY BILL, 1995-96

SECOND READING

**Hon. Dan Hays** moved second reading of Bill C-73, to provide borrowing authority for the fiscal year beginning on April 1, 1995.

He said: Honourable senators, Senator Olson had intended to speak to this bill today, but he is unable to be here today and I have agreed to give this speech in support of second reading.

Before I address the provisions of the legislation, I should like to put it in its proper context. As happens every year at this time, we are being asked to approve the amount of borrowing authority directly connected to the financial requirements set out in last month's budget.

It is important that this bill be passed as quickly as possible. If borrowing authority is not in place early in the new fiscal year, starting April 1, constraints will be placed upon the government's financing program.

• (1430)

The fact is that virtually all the remaining borrowing authority granted under last year's borrowing authority act will be cancelled at the end of this fiscal year. All that will remain is the $3 billion non-lapsing amount. Once this amount is depleted, the government would be limited to using section 47 of the Financial Administration Act to achieve its borrowing needs. This section restricts borrowing to short-term funds.

In such a situation, no bonds could be issued except to fund maturing issues, and there are two in the first quarter of 1995-96. This means that any delay in approving this important bill beyond the end of the current fiscal year, which is the end of this month, could be costly to the government and Canadian taxpayers. It would expose the government to an additional interest rate risk implied by increased short-term funding.

Given the government's large financing program, delaying bond financing could potentially be disruptive to the capital markets. This, in turn, could result in higher debt servicing charges to the government. You can see why it is critical that the borrowing authority be secured as soon as possible.

In asking for speedy passage, I do not suggest that we view this legislation as a simple piece of unremarkable *pro forma* business. The authority to borrow almost $29 million is a tremendous responsibility. There is no question that virtually unchallenged borrowing by the federal government over the last two decades has created the punishing burden of debt we now carry.

That is why, before focusing on the specifics of this bill, I wish to remind this chamber of the dramatic action plan set out in last month's budget. As pointed out by the Minister of Finance, it is a historic response to a historic challenge. This challenge is brought to our attention as we debate this bill. This country's economic future is put at risk by the $500-billion debt we have accumulated; a debt that leaves the government too vulnerable to the harsh impact of compound interest.

This impact is painfully illustrated by the fact that for the fiscal year just ending, interest costs on the debt will likely hit $42 billion. That is the single largest program of Canada's federal government. That $42 billion is almost exactly equal to what we have paid out on unemployment insurance and transfers to the province for education, health, and social assistance combined. That $42 billion is more than double our support for Canada's elderly. Therefore, in considering this legislation, we must appreciate the fundamental reform of government spending set out in the February budget.

The 1995 budget takes direct action to reduce government spending and refocus its activities on key priorities and deeds. The goal of this strategy is clear, concrete and compelling: to restore national fiscal health and reshape the role of government itself in order to bring about a stronger and more dynamic Canadian economy.

It is a budget about getting the government right so that it can do a better job of helping get the economy right, sustaining growth and confidence and creating new jobs, while preserving our ability to help those in need. To meet this goal, the budget delivers on our commitment to cut the deficit to 3 per cent of the economy in two years, despite the impact of higher-than-expected interest rates. If economic performance is stronger than the government's very prudent forecasts, the deficit should fall even more.

The government's fiscal actions will total $29 billion over the next three years, more than in any budget since post-war demobilization. In two years, program spending will be $10.4 billion lower than today.

Just as important, the budget also changes the structure of how government operates. This will ensure that spending will be restrained beyond the two-year target period. The deficit will continue to fall, reflecting the government's commitment to eliminating it completely.

In order to achieve these results, the budget takes fundamental action across government programs and operations. It implements the results of program review, a comprehensive examination of departmental spending. The government's objective is to focus on what is essential and do it better. The budgets of some departments will be cut in half in the course of this exercise.

The budget also acts on a new vision of the federal government's role in the economy, one that includes substantial reductions in business subsidies. These will drop from $3.8 billion this year to $1.5 billion in 1997-98.

The budget reforms major transfers to the provinces, modernizing the federal-provincial fiscal regime and making it more effective, flexible, and affordable.

These wide-ranging reforms mean a smaller public service. Some 45,000 positions will be eliminated. This difficult process will be managed as fairly as possible, including the use of early departures and early retirement incentives.

It is also essential to be fair to the taxpayer, and therefore the 1995 budget does not increase personal income tax rates. However, there are measures to improve tax system fairness, and some revenue initiatives were required to meet the government's vital deficit targets.

This is still clearly a budget that places an absolute priority on expenditure reduction, and it delivers nearly $7 of spending cuts for each $1 of new revenue over the period dealt with by the budget.

However, the most important point about the budget is the ultimate bottom line it delivers. Overall program spending will fall from $120 billion last year to just under $108 billion in 1996-97. Relative to the size of the Canadian economy, program spending in that year will be lower than at any time since 1951. With the measures the government is taking, there is no question that we will achieve our target of $32.7 billion in the upcoming fiscal year and $24.3 billion, or 3 per cent of gross domestic product, in the fiscal year 1996-97.

I should also point out that the government is backing up its prudent economic assumptions with substantial contingency reserves, namely, $2.5 billion in 1995-96 and $3 billion the year after. Looking ahead, the government's contingency reserve can do more than protect its targets. If it is not needed, it will not be spent but will go to reducing the deficit even further.

This underscores another benefit the government's prudent planning assumptions can deliver. If interest rates and growth do better than forecast, and just conform to the private sector average, the 1996-97 deficit could drop below $19 billion. That is $5.5 billion less than the February budget projects. Even if the government does no better than its projected targets, 1996-97 will be an important milestone, since the debt will no longer be growing faster than the economy. The debt-to-GDP ratio will have begun to decline, and that is the key to fiscal sustainability and putting Canada's debt ratio on a permanent downward track.

By that time, Canada's financial requirements, the new money it borrows from markets, will fall to $13.7 billion, a drop of more than $11 billion from the amount asked for in this bill. That will be just 1.7 per cent of GDP, down from 3.5 per cent of GDP in 1994-95 and 5 per cent of GDP in 1992-93.

In fact, based on the budget plans for 1996-97, Canada is projected to do better than the United States, Germany, Japan, and every other major industrial country. The contrast with the United States, honourable senators, deserves mention. In 1992-93 and 1993-94, Canada's fiscal requirements were about 1 per cent of GDP higher than the United States. In 1996-97, they should be 1 per cent of GDP lower.

That is the economic picture ahead of us. That is why we, on the government side of this chamber, ask all senators to support the request for borrowing authority before us.

Let me turn to the specifics of the legislation before us. Like the borrowing bill last year, this bill contains three basic elements: First, there is the provision for $24.9 billion of authority to cover Canada's anticipated borrowing to meet the net financial requirements set out in the budget.

Second, there is a provision to cover $1 billion of Exchange Fund Account earnings which give rise to additional Canadian dollar borrowing requirements. These earnings, although reported as budgetary revenues, are retained in the Exchange Fund Account. They are not available to finance the ongoing operations of the government.

• (1440)

Finally, there is the usual $3-billion non-lapsing amount, the same amount requested in borrowing authority bills in the last seven years. The non-lapsing amount can either be used during the course of the year to manage contingencies, such as unexpected foreign exchange requirements, or can be carried forward into the next fiscal year.

There are some minor technical provisions in the bill that more clearly link fiscal year borrowing authority with fiscal year borrowing requirements. One provision is that the 1995-96 borrowing authority may only be used after the new fiscal year begins. Another provision stipulates that for purposes of calculating borrowing authority usage, the effective date is April 1.

Until the bill is passed, the government may continue to use the $3 billion non-lapsing amount provided for in last year's borrowing authority act. Any portion of this non-lapsing amount that is used will be deducted from the basic amount of borrowing authority which is being sought today. This prevents the non-lapsing amount from effectively adding to borrowing authority next year. This bill will also cancel all borrowing authority remaining from the fiscal year 1994-95 once it is passed.

Before concluding, I would like to review the government's debt operations in the current fiscal year up to the end of February. So far, in fiscal 1994-95, the government has issued about $23.2 billion in marketable bonds, $600 million in Canada Savings Bonds, and $1.8 billion in real-return bonds. There were also net redemptions of $5.3 billion of treasury bills. This provides a total of $20.3 billion in net new market debt.

Regarding Canada Savings Bonds, I should also note that the government introduced two innovations aimed at revitalizing this program. First, a new three-year pricing feature was introduced to make these bonds more attractive to retail investors. Second, the government expanded the sales window, making CSBs available over a longer period of time. Canada Savings Bonds were priced competitively with other products in the market, and cost-effectively relative to other sources of financing. This helped produce sales of $7.5 billion, a 40 per cent increase over 1993. After accounting for redemptions during the fiscal year, the net increase in outstanding Canada Savings Bonds was about $600 million, as I indicated earlier.

Regarding foreign currency debt, outstanding Canada bills increased by US $2 billion to US $6.1 billion at the end of February. These are short-term U.S.-dollar denominated bills which are issued from time to time to the U.S. market to fund Canada's foreign exchange reserve. In July 1994, the government launched a $2 billion U.S. three-year Eurobond issue. The issue was used to increase reserves and diversify the sources of U.S. dollar funding of Canada's exchange reserves.

In conclusion, honourable senators, Bill C-73 is an established part of government operations and offers no unusual changes from previous years. I, therefore, urge this house to proceed with this legislation as quickly as possible, so that new borrowing authority will be in place at the beginning of the new fiscal year at the end of this month. The government's regular borrowing problem can then proceed as the fiscal year begins.

**Hon. C. William Doody:** Honourable senators, first of all, I want to say a few words with respect to this urgency, which we hear about every year. In fact, I think that may be the same speech that I gave a couple of years ago!

**Senator Fairbairn:** And you meant every word of it.

**Senator Perrault:** I thought you destroyed all the copies?

**Senator Doody:** No, they should have self-destructed after I read them.

The government has $3 billion in funds to carry forward into the next year, yet they feel the need to pass this bill before the weekend? I know the rate of expenditure by this government is pretty intense, but I do not think even they could get rid of that much money so quickly.

Let us not delude ourselves that there is a vast urgency for this bill. As Senator Stewart well remembers, governments have been known to survive for weeks and weeks into a new year. They come up with amazing strategies to get around the various borrowing limitations in order to carry on with the normal business affairs of the nation.

I have no intention of delaying this bill. I think my colleagues are of the same mind. I do think it should go to the Standing Senate Committee on National Finance, and if we can arrange a meeting for tomorrow morning, we will.

Can my friend advise us how long the House of Commons spent studying this borrowing authority bill? Did this bill go to a committee? Did they spend any time working on it, or must we do it ourselves once again? That is the first issue.



I also note that among the borrowing requirements, there is $1 billion for exchange fund revenue. Can the honourable senator tell us why we have to borrow $1 billion to cover off revenue which we have earned on exchange? It is an interesting question. I just want to see how carefully the senator has studied his notes.

**Senator Hays:** Honourable senators, I am not sure how to interpret the statement that those opposite have no intention to delay — whether that means the end of the month or beyond.

I do remember when positions were reversed. Senator Stewart and others played a large role in a similar debate on a similar piece of legislation. I suppose it is unnecessary, but let me just observe that there were different circumstances prevailing at that time.

**Senator Doody:** Of course, we were over there. That was very different.

**Senator Hays:** As I recall, Bill C-11 was not as timely as this bill in terms of estimates. I will not comment on the urgency, because I interpret your comment as an indication that the opposition side will be cooperative in early passage of this legislation, in the context of what the government is requesting from this side of the house.

I cannot answer the question about how much time the House committee spent on this bill. I was briefed, but it is not something I raised, nor was it volunteered to me. I simply do not know the answer to that question.

You also had an interesting question on the Exchange Fund Account profits. Is that accurate, Senator Doody?

**Senator Doody:** Why are we borrowing $1 billion to cover revenue which we already have?

**Senator Hays:** Honourable senators, I think Senator Doody may know the answer very well, but he wants to confirm whether I might know the answer, and I am not sure that I do. This was explained to me. When this matter is dealt with in committee, that will be a wonderful opportunity for us to get an explanation.

In its simplest terms, the Exchange Fund Account has a number of uses. This account deals with our foreign exchange. I have some charts here dealing with fluctuations in that account. It is currently in the order of $12 billion. This is held in U.S. treasury bills and earns interest. That must be accounted for in the budgetary documents, and that is done by treating it as an expense item.

However, as I observed in the speech that I gave, those are not monies available for expense purposes. That is my attempt to answer the question of Senator Doody.

**Senator Doody:** Honourable senators, my comment is that, fortunately, we do not earn very much money or we would not need to borrow even more. We earn $1 billion on foreign exchange interest, and we immediately need to go to the market and borrow $1 billion to offset it because we are not allowed to spend the money that we earn for the affairs of the nation. We borrow money to offset the $1 billion, which presumably goes back into the exchange account.

As Senator Hays suggests, we should take it up in the committee with the officials, as we do every year.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** When shall this bill be read the third time?

REFERRED TO COMMITTEE

On motion of Senator Graham, bill referred to the Standing Senate Committee on National Finance.

• (1450)

## TREATMENT OF ABORIGINAL VETERANS

CONSIDERATION OF REPORT OF ABORIGINAL PEOPLES COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the ninth report of the Standing Senate Committee on Aboriginal Peoples, entitled "The Aboriginal Soldier After the Wars," tabled earlier this day.

**Hon. A. Raynell Andreychuk:** Honourable senators, I cannot underscore how important is this report to the Standing Senate Committee on Aboriginal Peoples. We were not the first to study the ill-treatment of aboriginal peoples after the First World War, the Second World War and the Korean War. In fact, there were attempts at studies as early as the late 1940s. However, nothing has ever come of those studies. The Senate initiated a resolution earlier, which subsequently bogged down.

I am pleased today that through the tenacity and commitment of the members of the committee we have come up with a report which we think is credible to the Canadian people and, more particularly, to aboriginal veterans. At this time, I wish to express my personal appreciation to members of the committee.

The process was a difficult one. It was not a normal study conducted on an issue to which there was easy access to documentation. When we first began our work we realized that we needed to define "ill-treatment." We needed to see what the issues were in such a way that we could substantiate any findings and recommendations that we would make.

Although aboriginal veterans were clear in stating that they felt they had been wronged, that they had not been treated properly as veterans, that they had not received their due for the price that they had paid in serving our country, we found it difficult to come to a conclusion on how to organize our work in such a way as to assist them in their claims. We began the process by inviting national aboriginal groups to appear to help us structure our work, and then we heard from departmental officials, both from Indian Affairs and Veterans Affairs. I thank them all for their assistance in framing our workload.

We then developed a strategy to attempt to reach aboriginal veterans. You can appreciate that the veterans are a disparate group, living in all sectors and segments of society, both geographically, professionally, et cetera. We wanted to hear from the veterans directly. We heard an awful lot of evidence at the start to the effect that aboriginal veterans did not feel that they had been treated correctly. Yet what we were hearing was all second hand. We felt that our task was to hear firsthand the concerns of aboriginal veterans. We developed a communications strategy to attempt to reach aboriginal veterans. In this case, we avoided the usual communications systems of Canada and tried to reach all the aboriginal networks, both verbal, written and via radio and television through their own programming.

As a result of our efforts through these channels of communication, we heard from some 100 aboriginal veterans. We then had some 50 to 60 veterans come forward. We held our hearings in the locations where they were centred, which was in Vancouver, Edmonton and Saskatoon, with the rest of the veterans coming to Ottawa for the sake of expediency.

We ended with our findings and conclusions. Although I am very tempted to do so, I will not take the time today to read the entire report and its recommendations. It is worthy of reading, and, at the least, the minimum that is needed to understand this issue.

We ran into a number of dilemmas. The first was that "aboriginal" is a term which came from the 1982 Constitution. Prior to that, during the First World War, the Second World War, and later, these people were not categorized as either "veterans" or "aboriginal veterans." They found themselves in the Métis community, the status Indian community and the nonstatus Indian community. Therefore, they were not easy to find, nor was it easy to determine the treatment they had received.

A second dilemma that we came to was the fact that the emphasis seemed to be on the Second World War. The majority of veterans who came forward were from the Second World War. Naturally, our report reflects that. There is no intention on our part to diminish the contribution of the aboriginal veterans of the First World War or the Korean War.

The third dilemma was that there was no paper trail. The aboriginals were either under the Indian Act, if they were status Indians, or they were veterans. Therefore, "aboriginal veterans" did not come out in the paper trail. It was very difficult to find out how these people were treated, what benefits were afforded to them, how they were processed and, in fact, what benefits they actually received.

The obvious dilemma was that time was passing. Many veterans have passed away. It is, perhaps, too late for them, although the committee hopes that this report will not be too late for their dependents, families, friends and their memories.

The committee centred on the the key point that because there was no paper trail, no documentation to substantiate or to disprove the allegations made, we would have to look at the oral history. That is what the aboriginal veterans gave us. They came to tell their stories. It is in keeping with aboriginal traditions that oral history is as valuable and should be taken into account in the same way as any documentation in the non-aboriginal sector. The committee, to a member, agreed that we would accept oral histories and give them the same weight as any documentation.

I shall simplify the findings and the issues on which, I hope, aboriginal veterans feel the emphasis should lie. In many cases, they simply said that they did not have to go to war, that there was no obligation on them. In fact, at times, there were legal impediments to their serving. Yet, they joined. They did so in significant numbers. In World War I, World War II and the

Korean War, they gave their full dedication to this country. As they said, they joined, perhaps, for the same reasons as other Canadians.

They bought into the promise that if they defended this country and what it believed, they would together return and build a better, more just, fairer country in which their contribution would be recognized. Virtually every aboriginal veteran said that overseas they were treated equally. In many cases, they had grown into men while overseas. They felt that their contribution was recognized and that they were able to serve with dignity. They found very little to complain about as individuals in the service.

However, the minute they came back to Canada it was another story. The promise of fairness, equality and a new beginning is a promise unfulfilled to this date in the minds of the aboriginal veterans. The aboriginal veterans feel that they served honourably and it is time that the Government of Canada and the Canadian people recognized their contribution and the fact that they did not receive the benefits due them when they returned.

• (1500)

Simply put, many aboriginal veterans told us that, at this point, they want nothing more than for someone to apologize for overlooking their contribution. As a result of this oversight, they were put in the position where they had to fight to be recognized as equal veterans, and in the case of World War II veterans, this fight has been ongoing for 50 years. If you look at our report, you will see that we accepted the oral histories. We found nothing in the documentation to contradict them.

The committee recommends, and urges the government to accept, that the Government of Canada, on behalf of the Canadian people, recognize the special contribution of aboriginal veterans during the First and Second World Wars and the Korean War, and that the Canadian government, on behalf of the Canadian people, apologize to aboriginal veterans for the inequities and insensitive treatment they experienced after their return from these wars.

I encourage you to read in our report about the inequities and insensitivities they felt when they came back. They came back in soldiers' uniform and, though wanting to share a farewell drink with their buddies, were precluded from entering establishments. They left thinking that being an Indian would mean something when they came back. Instead, they came back to a paternalistic system that had not changed, despite their efforts.

Our other recommendations recognize this inequity and insensitive treatment. To remind us that it should never happen again, we suggest and recommend that the Canadian government establish a scholarship fund in the memory of aboriginal soldiers. We further recommend that aboriginal veterans be recognized with other veterans in Remembrance Day services.

We also suggest that the Departments of Veterans Affairs, Indian Affairs and Northern Development give prompt attention to improving the living conditions of aboriginal veterans. We found many of these veterans were very isolated. In fact, many of the support systems available to other veterans were not available to aboriginal veterans. It was only in the 1970s, when perhaps more politicization of the aboriginal veterans occurred, that they built their own support systems, with some support from the Canadian government.

We need to seek them out. We need to ensure that their contributions in the wars have not been forgotten. I cannot think of a better moment in history than the fiftieth anniversary of the Second World War to stop and pay tribute to the aboriginal veterans.

The report itself does not deal with all of the issues surrounding aboriginal veterans because we did not want to be part of the problem. Too many people have studied them. We want to be in a position of action and resolution. We hope that our small measure in bringing a spotlight to bear on the efforts of the aboriginal veterans will be recognized quickly and that something will be done by the Canadian government on behalf of the Canadian people immediately.

I urge all senators to support our recommendations, and I urge the Canadian government to follow through on the recommendations. We sent soldiers to all of these wars with fine statements by our Prime Ministers, but they were promises that were unfulfilled for aboriginal veterans. Surely, it is time that we fulfilled those promises.

**Hon. Raymond J. Perrault:** Honourable senators, I know all of us thank Senator Andreychuk for her comments regarding this interesting report.

I had the opportunity to serve on that committee during part of its deliberations. It was a moving and educational experience.

Last week, some of us were in Belgium fighting the fish battle with the European parliamentarians. Some of us later went to Ypres and the monument to all those in the British Empire and Commonwealth who fought in the First World War. Some of you have been to that monument, and some of you have been to Vimy, and some of you have been to our war memorials built to acknowledge and honour Canadian feats of arms in two world wars and other encounters such as the Korean War.

Every racial background in our country was represented among the names of those who died and were listed on that monument, not just of English or French descent. Every other race represented in this nation paid the price. There are many people of Indian descent whose names are on that monument.

During our committee deliberations, it was quite an experience to hear of veterans given full equality on the battlefield, being fired at by the enemy, as were the other Canadian people in battle, only to come back to a Canada which did not honour the democracy that had been won by them on the battlefield, and which placed them in the category of second-class citizens.

I commend this report to each and every member of the Senate. Read it carefully. Read this paragraph:

> Historian James Dempsey notes, "reactions from the white community and government offices were generally very supportive, if at times paternalistic."

This comment was made with reference to their service in the wars.

> Annual reports of the Deputy Superintendent General of Indian Affairs praised the loyalty and magnificent record of Indian soldiers. There were also many newspaper reports of Indian soldiers going to war.

I suppose that "aboriginal" is a more exact appellation now, because there were people other than those of Indian descent among the aboriginals who fought in those wars.

> As a result of WWI, at least 300 Indians and an unknown number of other aboriginal soldiers died. Additional lives were lost to illness. Many aboriginal soldiers were taken prisoner and many decorated for bravery. One example is Métis veteran Henry Louis Norwest, from Saskatchewan. His courage and skills as a sharpshooter earned him both the Military Medal and bar. Communities were also recognized. When the Prince of Wales visited the Brantford area in October 1919, he presented the Six Nations community with a bronze tablet to commemorate the 88 members killed in action or as a result of the war. "In summary, the contributions of Indians in the military aspect of the war effort were comparable to that of other Canadians. The major difference was that Indians were not required or expected to serve, but they did so with gallantry and valour."

It came as a surprise to me to learn that people of aboriginal descent were not allowed to join the Navy until 1943. They had a regulation that one must be British-born and a British subject. It amazes me that people of aboriginal descent have been able to tolerate this obvious discrimination and have spoken so little publicly about it until fairly recently.

I should like to make some further remarks on this report. In the meantime, I would commend its reading to everyone who serves here. It is worth study. There are many documents that flood in on us from various directions, many of which should be consigned to the wastebasket earlier than others, but this is one which should be kept on the shelf and shared with members of our families.

People of aboriginal descent have laboured under quite a burden of unfair treatment, in my view. In the province of British Columbia, some of our most distinguished veterans are those of aboriginal descent. Courageous to a fault, they came back to a Canada which did not accord them the full citizenship that they deserve.

On motion of Senator Perrault, debate adjourned.

• (1510)

## CANADA-CHINA RELATIONS

### MOTION RESPECTING HUMAN RIGHTS IN CHINA AND TIBET— DEBATE ADJOURNED

**Hon. Consiglio Di Nino**, pursuant to notice of March 2, 1995, moved:

> That the Senate urge the Government of Canada to express concern over continuing reports of violations of human rights and fundamental freedoms in China and particularly Tibet by local, provincial and national authorities and severe restrictions on the rights of citizens to freedom of assembly, association, expression, religion, as well as to due legal process and fair trial; and
>
> That the Senate urge the Government of Canada to encourage the People's Republic of China to take further measures to ensure the observance of all human rights, including the rights of women and children, and to improve the impartial administration of justice; and
>
> That the Senate request the Government of Canada to encourage the government of the People's Republic of China to allow foreign delegations to Tibet to study the human rights situation, the state of religious freedom, the status of women, the treatment of Tibetan children and prison conditions; and
>
> That the Senate urge the Government of Canada to extend support to Tibetan people in their struggle to regain their freedom and the presentation of their culture; and
>
> That the Senate encourage the Government of Canada to support the non-violent efforts of his holiness, the Dalai Lama, to resolve the issue of Tibet, particularly the Dalai Lama's campaign to make Tibet a zone of ahimsa, non-violence, through demilitarization and the protection of Tibet's natural environment; and
>
> That the Senate implore the Government of Canada to ask the Chinese authorities to commence negotiations with his holiness, the Dalai Lama, and to the Tibetan government in exile and representatives of the People's Republic of China on the future of Tibet without preconditions.

He said: Honourable senators, as many of you are aware, the Chinese occupation of Tibet has resulted in the destabilization of traditional Tibetan society and the destruction of Tibet's unique cultural heritage, leading to a denial of the human rights and fundamental freedoms of the Tibetan people.

Independent international organizations such as Amnesty International and Asia Watch have confirmed the continued abuse of human rights and the denial of fundamental freedoms in Tibet by Chinese authorities. These human rights violations have occurred in contravention of the obligations imposed on China by international law.

Honourable senators, every year, hundreds of Tibetans risk their lives by walking over some of the most dangerous passes in the world to bring their children to Dharmsala in northern India, the site of the Tibet government in exile. There they leave their children in the care of Tibetan refugees to learn the language and retain the culture of their forefathers. Parents are risking their lives and the lives of their children, only to leave their infants sometimes for 10 or 15 years, sometimes never to see them again. Such are some of the sacrifices being made. For us in Canada they are beyond comprehension — unnecessary sacrifices if the government of the People's Republic of China would chose to respect the rights of Tibetans.

During my visit to Dharmsala in March of last year, I was deeply moved by the community of Tibetans in exile but mostly by the sadness of the parents I met as they headed back to Tibet over the same dangerous Himalayan passes, satisfied that their children were in the care of a community whose responsibilities include the preservation of their language and their culture.

His holiness, the Dalai Lama, and the Tibetan government in exile have, over the years, proposed to the Chinese authorities constructive initiatives to solve the Tibetan problem peacefully. In addition, national parliaments in a number of countries have passed resolutions expressing their concern at the plight of the Tibetan people and urging the Chinese government to meet with his holiness, the Dalai Lama, to deal with this issue.

Honourable senators, it is in support of the relentless, non-violent efforts of his holiness, the Dalai Lama, to peacefully solve the Tibetan problem that I have placed this motion before you, a motion which proposes, among other things, that the Government of Canada promote and encourage the initiation of a dialogue without preconditions between the Tibetan people and the Chinese authorities in order to resolve the future of Tibet.

The motion I propose is one which I believe can be supported by all colleagues in this chamber on behalf of all those children, all the men and women who struggle every day for the fundamental freedoms and rights now being denied them. I appeal to all honourable senators to support this motion, a motion that goes some way in sending a message of hope to an oppressed land.

On motion of Senator Perrault, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Thursday, March 30, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### CANADA'S PRESENCE AND INFLUENCE IN EUROPE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, members of this chamber will recall that, last November, the Bosnian crisis deepened, and frustrations in the West became such that some began to counsel a Dunkirk-style retreat.

On December 1, 1994, I spoke in this chamber on the subject of the continuing presence of our peacekeepers in the region. I argued that a retreat would have the gravest implications, that the United Nations presence in the Balkans is a mirror of sanity in hell. Without that mirror of sanity, the people of that tormented region will lose all hope.

In the long term, a retreat from the Balkans would engender a crisis of failure in Western capitals, at a time when we need all our collective energies to fashion better decision-making institutions for the future, both at the regional and international levels. As we engage in debate here in Canada over the renewal of our mandate in the Balkans, I would like to emphasize my earlier conviction. I believe we must reflect seriously on the symbolism of a withdrawal from the Bosnian nightmare.

Honourable senators, Canada has traditionally taken the broad view of international peace and security. We have recognized that peace is a process and that global interests are served by keeping that process on track. That is why our great peacekeepers, our Canadian heroes abroad, are in Bosnia, in Europe's backyard. I might add that when we made the commitment to Bosnia we did not say that this was Europe's problem. We said, as we have said to Europeans many times in the past, that this is as much our problem as it is theirs.

Now, today, we hear some of our European friends telling us that we do not understand international law, although in their own backyard Canadian peacekeepers wage a daily war against the forces which, if unleashed, could lead to another European conflagration.

Perhaps European Union Fisheries Commissioner Emma Bonino and her supporters throughout the European Union should learn that Canada's commitment to peace and security is as strong in the Balkans as it is off the Grand Banks. As I said in a speech to this chamber on May 6, 1992, "Canada has been an unhappy witness too long to piracy of a central food supply."

Yet contemporary international law does not provide us with a balance between flag state liberty and the rights of coastal state jurisdiction over such straddling stocks. It is as though a page were missing in the vital subject–matter of fisheries jurisdiction. That, we must write — and are prepared to write — in collaboration with our European allies and friends.

Like tiny Iceland in the past, we are forced to take extraordinary action today in the interest, not only of our own nation, but in the interests of the global commons of tomorrow. We will all be judged by future generations for the steps that we take today.

I would remind those Europeans who are so quick to criticize Canada in these times that their future survival is partly contingent on the Canadian determination to resist aggression both on land and at sea. We have done this through our commitment to international law, not to a static series of commandments carved in stone, but to an evolving volume in constant transition. I say with the greatest respect, look in our own backyard, Ms Bonino, because that is where much of the new volume must be written.

### LEARNING DISABILITIES ASSOCIATION

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, as an honorary lifetime member, I am proud to give recognition to the Learning Disabilities Association of Canada and also to acknowledge and honour the hard-working branch of the Learning Disabilities Association of Saskatchewan, this being the end of Learning Disabilities Month across Canada.

Today, it is estimated that one in 10 Canadians suffer from a learning disability ranging from mild to severe. This complex disorder is caused by a dysfunction of the central nervous system which results in inaccurate information being received through the senses, much like a poor telephone connection or a fuzzy photograph.

Albert Einstein had a learning disability. He had difficulty with mathematics. Leonardo da Vinci, Thomas Edison and Winston Churchill were all learning disabled. These individuals, each a genius in his own field, managed to attain the highest of achievements by compensating and making the most of their abilities rather than focusing on their disabilities.

This year at the National Learning Disabilities Conference and annual benefit dinner, to be held in Saskatoon in October, the actor Henry Winkler will tell his story of successfully dealing with his learning disability.

The Learning Disabilities Association is a non-profit organization dedicated to advancing the education, employment, social development, legal rights and general well-being of people with learning disabilities.

I urge you all to become more informed about learning disabilities and to become more involved with your local provincial or territorial chapter. Your advocacy is needed and deeply appreciated.

[*Later*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I congratulate Senator Berntson and second his comments on the Learning Disabilities Association of Canada and the work that it does. It has made a significant difference in the lives of many thousands of Canadians. I am particularly conscious of the work it does as a companion support system to those who have difficulty with literacy because that often goes hand in hand.

On a personal note, the first national conference I spoke to was in Saskatchewan when the group there hosted the national meeting. I wish the association the very best for their conference in the fall.

• (1410)

## MASS MEDIA

### EXISTING PRINCIPLES OF JOURNALISM— MOVEMENT TO ABOLISH

**Hon. Keith Davey:** Honourable senators, it was 26 years ago that I proposed and then carried out a two-year Senate study of the mass media. In those days, we were primarily concerned about the concentration of ownership, the quality of journalism and, of course, Canadian cultural survival.

Times have changed. I believe the quality has improved, and the concentration of ownership has moved in many new directions, allowing far greater competition and infinitely greater technology. Meanwhile, Canadian cultural survival is a continuing "must" for those of us who care passionately about Canada.

One of the people who helped us most in the Senate Committee on Mass Media was the late Borden Spears, one of Canada's most significant journalists. Since 1977, the Canadian Daily Newspaper Association, the CDNA, which represents 84 newspapers, established a set of principles at the behest of the late Borden Spears and the late Martin Goodman. That statement continues to this day to list the seven items. They are: ethics, freedom of the press, responsibility, accuracy and fairness, independence, privacy, and access. It was, in the words of George Bain:

> ...calculated to consider a minimum standard of good editorial practice that would apply in member papers generally.

Recently, however, a group of senior editorial managers has been seeking to abolish the newspaper industry's 18-year–old statement of principles. Those members who want to scrap the statement would do so, apparently, because of possible legal problems. In George Bain's words again:

> ...still in 18 years that seems never to have happened.

Thankfully, John Miller, Chairman of the Ryerson Journalism School, represents the only dissenting voice in this group which wants to abolish the existing principles.

On April 5, the CDNA directors, mostly newspaper publishers, will meet to reject or endorse this proposal. That meeting is closed to journalists. There is a much more open meeting scheduled for May 2 of all CDNA members, where the decision of the board could or could not be overturned. Unfortunately, even that "open meeting" is closed.

Allow me to express my final observation in the words of one of Borden Spears' salient comments:

> The marvel is not that newspapers get some things wrong...but that they have so many things right...The mistake is to believe that any one news report or any one newspaper contains the final truth. Every journalist knows that truth is cumulative.

[*Later*]

**Hon. Richard J. Doyle:** Honourable senators, I stand to respond to Senator Davey's remarks. I listened with great interest to his description of the controversy over a code of ethics in the fourth estate. I must tell honourable senators that I have spoken to several of my former colleagues about this matter and, with rare agreement, they said "No comment."

## NATIONAL FINANCE

### NECESSITY TO RE-EXAMINE SYSTEM FOR APPROVING ESTIMATES

**Hon. David Tkachuk:** Honourable senators, on Tuesday I raised a point of order concerning Supplementary Estimates (D) and argued that Canadian Heritage Vote 76d was beyond the scope of a supply bill since it sought to grant borrowing authority. At that time, I asked that it be struck from Bill C-79.

In support of my argument, I quoted extensively from rulings made by the Speaker in the other place. This vote appears to be at odds with several precedents as to what may or may not be done through the supply process. Had such a point of order been raised in the other place, this vote may well have been ruled out of order.

A supply bill should approve spending, and nothing more. In particular, given the tight time frame under which supply is examined, Estimates and Supplementary Estimates should not be used to legislate or to do what ought to require legislation. Borrowing authority, whether for the government or for a Crown corporation that depends upon the government for its budget, should be approved in a separate bill. This is especially true in cases such as this, where no dollar limit is specified on the amount that may be borrowed. The role of Estimates is to authorize spending, not borrowing.

His Honour, the Speaker of the Senate, has ruled that Canadian Heritage Vote 76d is in order under the *Rules of the Senate*. We do have our own rules and procedures, and I accept that decision. I also thank the Honourable Speaker for taking the time to carefully consider my arguments.

As His Honour noted, we do have the power to amend supply bills, and we do not face the same time allocation rules in supply as does the House of Commons. However, at least on this one occasion, one day before the end of the fiscal year, I do not want to be the one to delay supply.

Honourable senators, perhaps it is time Parliament, as a whole, took a serious look at the way in which we deal with supply. The House of Commons deals with its supply bills on a set timetable that cannot be altered. However, we in the Senate receive these bills at the last minute. While we have full power to amend such bills or to send them back to committee for further study, we are also reluctant, as senators, to hold up the supply process.

I would encourage all members of the Senate and the House of Commons to consider a thorough re-examination of the way in which Estimates are presented and approved.

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# ROUTINE PROCEEDINGS

## REVIEWING CANADA'S FOREIGN POLICY

REPORT OF THE STANDING COMMITTEE ON INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION CONCERNING MOTION TO PRINT VOLUME I OF SPECIAL JOINT COMMITTEE—REPORT PRESENTED

**Hon. Earl A. Hastings:** Honourable senators, I have the honour to present the twenty-second report of the Standing Committee on Internal Economy, Budgets and Administration concerning the motion to print Volume I of the Special Joint Committee Report on Canada's Foreign Policy.

Thursday, March 30, 1995

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

TWENTY-SECOND REPORT

Your Committee, to which was referred the motion of the Honourable Senator MacEachen, P.C., moved in the Senate on February 21, 1995, has, in obedience to the Order of Reference of March 2, 1995, considered the motion and now reports as follows.

Your Committee recommends, on division, that up to 500 additional copies of Volume I of the Report of the Special Joint Committee Reviewing Canada's Foreign Policy entitled "Canada's Foreign Policy: Principles and Priorities for the Future" be reprinted by the most economical means at a cost not exceeding $7,500.

Your Committee also recommends that the Chairman of the Standing Committee on Internal Economy, Budgets and Administration be instructed to seek financial participation by the Board of Internal Economy of the House of Commons in this initiative.

Respectfully submitted,

EARL A. HASTINGS
*Chairman*

**The Hon. the Speaker:** When shall this report be taken into consideration?

On motion of Senator Hastings, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## BORROWING AUTHORITY BILL, 1995-96

REPORT OF COMMITTEE

**Hon. C. William Doody**, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Thursday, March 30, 1995

The Standing Senate Committee on National Finance has the honour to present its

TWELFTH REPORT

Your Committee, to which was referred Bill C-73, An Act to provide borrowing authority for the fiscal year, 1995-96, has, in obedience to the Order of Reference of Wednesday, March 29, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

C. WILLIAM DOODY
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** With leave of the Senate and notwithstanding rule 58(1)(*b*), I move that this bill be read the third time now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

• (1420)

## FIRST NATIONS GOVERNMENT BILL

FIRST READING

**Hon. David Tkachuk** presented Bill S-10, providing for self-government by the First Nations of Canada.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this be read the second time?

On motion of Senator Tkachuk, bill be placed on the Orders of the Day for second reading Tuesday next, April 4, 1995.

## TRANSPORT AND COMMUNICATIONS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO STUDY TELECOMMUNICATIONS

**Hon. Donald H. Oliver:** Honourable senators, I give notice that on Tuesday next, April 4, 1995, I will move:

> That the Standing Senate Committee on Transport and Communications be authorized to examine and report upon Canada's international competitive position in telecommunications, including the following: a review of the economic, social, cultural and political importance of the telecommunications sector for Canada; the impact of current developments in telecommunications on Canadian heritage and broadcasting and specifically on the role of the CBC; a review of issues relating to foreign investment in Canadian telecommunications; a comparison of regulatory frameworks in Canada and in other countries; and a review of the research and development necessary to enhance Canada's competitive position in telecommunications; and
>
> That the Committee present its report no later than December 15, 1995.

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# QUESTION PERIOD

## TRANSPORT

PEARSON AIRPORT AGREEMENTS—EXTENT OF KNOWLEDGE OF MR. NIXON AT TIME OF REVIEW—GOVERNMENT POSITION

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, until now I have basically been an observer to this lively debate on what I think we can now properly call "Pearsongate." However, with the unfolding of recent events and information in the press, the courts and elsewhere, I find myself uncontrollably drawn into the fray.

It has now become apparent that Mr. Robert Nixon knew that the agreements relative to Pearson were sound, and he said they were not. He knew that there was no misconduct during the bidding process, and he said there was. He knew that the deal was a good one for the government and the taxpayers, and he said it was not. He knew that the cancelling of the contracts meant the loss of 3,500 jobs, much needed in the Toronto area, and recommended the cancellation anyway. He knew that the cancellation would expose the Government of Canada to millions, potentially billions, of dollars in compensation and damages. He knew all of this, and yet authored a report totally to the contrary.

My question to the Leader of the Government in the Senate is this: What opportunity will Mr. Nixon have either to be held accountable or to clear his good name unless there is a public inquiry held on this whole affair?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank Senator Bernston for his question. I am not sure that I am enthusiastic about him finding himself being drawn into the fray.

**Senator Berntson:** Reluctantly.

**Senator Fairbairn:** However, I do not share his judgment of Mr. Nixon's report. The history of the government's view on the airport issue, going back to pre-election moments, is well known. Mr. Nixon has spoken for himself. He stands ready to speak for himself at any time. The one thing on which I would agree with my honourable friend is that it is a shame that events have come together in such a way as to prevent needed development in the Pearson airport area which would have provided, and will provide, jobs for Canadians.

FAILURE OF MINISTER TO PROPERLY BRIEF PRIME MINISTER ON REPORTS RESPECTING PEARSON AIRPORT AGREEMENTS—GOVERNMENT POSITION

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, the Minister of Transport, Mr. Doug Young, knew, or at least ought to have known, about the items I set out in my previous question as to the quality of the deal, the integrity of the bidding process, et cetera.

He ought to have known it because he is the minister to whom senior bureaucrats would have communicated on the report presented recently to the General Division of the Ontario Court, which talked about the process and how these decisions were reached. He would have been aware of the Underwood McLelland report. He would have been aware of the Deloitte Touche report. He would have been aware of the report from the auditor group from Montreal which dealt with the integrity of the bidding process.

Thus, he ought to have known that all the items which I just listed were in fact good, solid and to the benefit of Canadians and taxpayers and, in particular, Torontonians. He obviously failed to brief the Prime Minister. The Prime Minister accepted the Nixon report as gospel.

What recourse does the Prime Minister have? Would you not agree that the honourable thing, and the only recourse he has in the circumstances, is to ask the Minister of Transport for his resignation?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the Prime Minister indeed asked Mr. Nixon to review the circumstances and details surrounding the Pearson airport deal. He had confidence in the report which he received from him and the information from which it was developed. As honourable senators will know, that is what led to the introduction, almost a year ago now, of Bill C-22. It remains the conviction of this government that this is the right way to go.

• (1430)

I continue to be hopeful. We have come a long way in this chamber over the past several months. I do not begrudge those months at all. We have wrestled with the complexities of this issue in the Standing Senate Committee on Legal and Constitutional Affairs. I still retain optimism that we will continue to do that and reach a satisfactory conclusion for both the development of the Pearson International Airport and the best interests of the people of Canada.

PEARSON AIRPORT AGREEMENTS—LEGISLATIVE SOLUTION—REQUEST FOR PARTICULARS

**Hon. Lowell Murray:** Honourable senators, my honourable friend the Leader of the Government in the Senate has repeatedly invoked her hope and expectation for what she calls "a legislative solution" to these questions. Let us take a moment to "review the bidding process."

When Bill C-22 came to the Senate, the Senate amended it. Those amendments were voted down in the House of Commons. The bill was then referred anew to the Standing Senate Committee on Legal and Constitutional Affairs. The government proposed some new amendments of its own to Bill C-22. The committee heard witnesses on those amendments. The weight of the witnesses' evidence was that new problems had been created and that problems of a legal and constitutional nature remain with the bill.

At one point our friend Senator Gigantès attempted to force a vote on the government amendments in the committee, acknowledging, as I believe he did, that the government would lose that vote. Meanwhile, our friend the chairman of the committee, Senator Beaudoin, invited the Minister of Transport, Mr. Young, to appear before the committee. He refused to come, and that is another issue which has not yet been addressed, the refusal of a minister to come to discuss government amendments to his own bill.

Senator Beaudoin also invited the Minister of Justice, Mr. Rock, to come and comment on the legal and constitutional matters which had been raised in the course of testimony. Mr. Rock has not refused to come, but he has not stated a date that would be convenient for him. We all understand that he has a full agenda. I think it is the disposition of the committee to accommodate his agenda. However, we have not heard from him. There the matter rests.

If the bill is being held up, it is really the responsibility of the government. The question I am asking the Leader of the Government in the Senate is this: What does she have in mind by way of a legislative solution? Is the government preparing some additional amendments to propose to the opposition and to the committee? If not, where do we go from here?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend's accounting of the progress with respect to this bill, slow though it has been, is quite accurate. As I have said a number of times, at the conclusion of the last hearings of the committee, our honourable friend Senator Beaudoin, in summing up, suggested that he felt the areas of question and concern had narrowed down to three or four possible compromises.

The government has been working on those areas of compromise. I remain hopeful that one will be the legislative solution. I suppose my use of "legislative solution" is really "political-speak" for passing the bill. That is the ultimate goal.

Following along my honourable friend's suggestions, the Minister of Justice and his officials have been working on those areas. The Minister of Justice, as I am sure my honourable friend knows, has not given any indication that he would not attend a future meeting of the committee.

**Senator Murray:** Honourable senators, to sum up, does my honourable friend agree that the ball is in the government's court?

**Senator Fairbairn:** Honourable senators, I say to my honourable friend, as delicately as I can, the government, in a cooperative way, has been examining the suggestions put forward in the committee and, in a cooperative way, will try to solve this impasse.

PEARSON AIRPORT AGREEMENTS—REQUEST FOR JUDICIAL INQUIRY—GOVERNMENT POSITION

**Hon. Orville H. Phillips:** Honourable senators, I am in receipt of a letter addressed to both the Senate of Canada and the House of Commons from Mr. John H. Matthews who, I am sure honourable senators know, has been associated with the Matthews Group and the Pearson consortium. He is one of those many Canadians who have had their good name smeared during the discussion on the Pearson airport and particularly by the statements of the Minister of Transport.

The letter states:

> Issues of credibility have been raised in the debate over the privatization of the Airport. These issues can only be resolved in testimony, under oath, subject to cross-examination. I would be pleased to attend and testify in any inquiry relating to the privatization of the Airport and the cancellation of the Airport Contract.
>
> Respectfully,
>
> John H. Matthews

Would the Leader of the Government in the Senate assure the Senate that people such as Mr. Matthews and others who have been smeared and maligned by this government will have the opportunity to state their case under oath and be subject to cross-examination at either a judicial inquiry or the inquiry proposed by the Leader of the Opposition in the Senate?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank the Honourable Senator Phillips for reading the letter from Mr. Matthews into the record. As he will know, I have also read into the record here in this house comments of the Prime Minister in regard to this situation.

Indeed, in the media today there are reports of statements from the lawyer who attended the meeting with the Prime Minister and Mr. Matthews. It is useful to have these statements on the record. The honourable senator knows that there are many opportunities in which we can hear witnesses in this place. I will take his suggestions to my cabinet colleagues.

• (1440)

**Senator Phillips:** Honourable senators, I thank the Leader of the Government in the Senate for her answer.

I too read the statement of Mr. LaBarge in today's press. However, I would point out that Mr. LaBarge is a well-known Grit. Having read the Liberal Red Book of lies, I am a little hesitant about taking a Grit's word.

**Senator Perrault:** Don't get political now!

**Senator Phillips:** Would the Prime Minister or the Minister of Transport agree to make a similar statement and volunteer to appear before either a judicial inquiry or a Senate committee? I say "volunteer" because I believe it would be necessary for them to volunteer. I would be reluctant to see them summoned.

**Senator Fairbairn:** I know the honourable senator's politics run deep. However, if he is nervous about accepting comments from Mr. LaBarge, I would offer him the comments of the Prime Minister that the Toronto airport was not discussed at all at the meeting. I quote from the *House of Commons Debates* of March 27:

> At that time, I was not aware of the privatization plan.

**Senator Phillips:** Is the Honourable Leader of the Government suggesting that the Prime Minister is not a Grit? Or is she suggesting that he was not associated with the Liberal Red Book of lies?

**Senator Fairbairn:** Quite the contrary. I would say never was there a truer Grit than Prime Minister Jean Chrétien. He is also a person known across this country for his honesty, his integrity and his efforts to put before the Canadian people a broad discussion of the issues and of the Liberal agenda, which he packaged in a red cover during the last election campaign.

[*Translation*]

PEARSON INTERNATIONAL AIRPORT—CANCELLATION OF LEASES PREVENTING REDEVELOPMENT OF TERMINALS 1 AND 2—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, my question is directed to the Leader of the Government in the Senate and concerns the affair that the Deputy Leader of the Opposition has so aptly named "Pearsongate." I will adopt his terminology.

Further to my question of last Tuesday, March 28, on the subject of the redevelopment of Terminals 1 and 2 at Toronto airport, could you tell this chamber why the Minister of Transport is not immediately launching the appropriate legal proceedings in order to cancel the subleases that, according to your government, are the reason why the urgent redevelopment work at this airport has not been started?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** I appreciate the honourable senator's rhetoric. I think he is reaching somewhat with "Pearsongate."

**Senator Perrault:** "Torygate" is what it is.

**Senator Fairbairn:** I am conscious of the fact that my honourable friend has asked me the same question before. I have indicated that he is suggesting a course of policy action that might appeal to him.

The decision of the government and the Prime Minister was to bring forward Bill C-22 as the most appropriate means to settle the Pearson airport issue, to permit the proper development of that airport by the Local Airport Authority, and to protect the interests of the taxpayers of Canada. It is for those reasons that I continue to express the fervent hope that we will reach a conscientious settlement to permit the legislative option to move forward.

[*Translation*]

PEARSON INTERNATIONAL AIRPORT—REQUEST FOR PARTICULARS ON REVENUE FROM SUBLEASES

**Hon. Pierre Claude Nolin:** My question is again about "Pearsongate." I agree with the Leader of the Government in the Senate that she chose this course of action for political reasons.

The Leader of the Government answered one of my questions in writing two weeks ago. This question mentioned that it was impossible for this local authority to start work on redevelopment of the air terminal because there were problems with certain titles.

In her reply, she said that although the main lease was terminated, there were still some minor subleases that had not been terminated. My question is this: If it is so urgent to proceed with redevelopment of the terminal, and I believe it is, why do they not ask the courts to terminate these minor leases?

I have a second question: What was the gross revenue generated by these subleases in 1994 for the Government of Canada?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will have to add that question to the many others I am having actively pursued for the honourable senator.

To answer the first part of the honourable senator's question, the Government of Canada chose to pursue a legislative course. That is the course we are pursuing. Again, I hope we will find a solution.

PEARSON AIRPORT AGREEMENTS—PERSONAL KNOWLEDGE OF LEADER OF GOVERNMENT ON POLICY PROPOSAL

**Hon. David Tkachuk:** Honourable senators, my question is for the Leader of the Government in the Senate.

According to *The Toronto Star*, on or about October 6 or 7 of 1993 — when this paper quotes Liberals, one knows the quotes are probably correct — the Leader of the Liberal Party, Mr. Chrétien, said the airport deal should be delayed until after the election. That night, Charles Bronfman was in attendance at a meeting of the Laurier Club in Senator Kolber's mansion in Montreal. The Prime Minister said that he told him it was unacceptable to have a decision three weeks before the election. "I told him to his face, and it cost him a thousand dollars," he said.

When Senator Kolber heard this, I am sure his mouth must have dropped because he is a prominent fund raiser in Montreal. However, we must remember that the Bronfman family is rather close to the Liberal Party. I cannot imagine Mr. Bronfman saying, "Gee, thanks, Jean," after all of this and all of his years of support, but these decisions were made during the campaign. The Leader of the Government was the co-chair of the Liberal campaign, along with Mr. Ouellet.

Can the Leader of the Government tell us whether, before or on the dates of either October 6 or October 7, in a full or informal meeting of the campaign committee, she participated in a discussion of this very important policy proposal, which was to cancel or delay the Toronto airport deal?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, at the meeting of which Senator Tkachuk speaks, there was a clear indication of the Prime Minister's concern about this particular development deal in that it was immaterial to him who was involved. He was deeply concerned about the deal. This was a matter of public knowledge. I, of course, was aware of his concern, since we travelled together for seven weeks during the election campaign. This was a very open issue.

• (1450)

In fact, in the city of Toronto it was one of the most profoundly disruptive issues of the election campaign. Strong, publicly articulated concerns were expressed from every level of municipal involvement, as well as by the people in the city of Toronto over this particular deal.

Honourable senators, it was very clear to the Canadian people what course the Leader of the Opposition intended to pursue should the deal be signed. That is, in fact, what happened; he carried out the promises that he made during the campaign concerning Pearson airport. It is taking a long time to ultimately carry out the government's policy on this issue, perhaps because it is such a contentious, complicated, complex issue. Nevertheless, I still retain the hope that we will, as a chamber, be able to come to an agreement on the legislation.

## PEARSON AIRPORT AGREEMENTS—DISCUSSION HELD BY MEMBERS OF LIBERAL ELECTION CAMPAIGN COMMITTEE—GOVERNMENT POSITION

**Hon. David Tkachuk:** Honourable senators, I still do not know whether the campaign committee discussed this issue. It would seem to me to be an issue of such import to the city of Toronto, and to a major corporation with strong Liberal ties, that there would have been some discussion in the campaign meeting with respect to advising the Leader of the Liberal Party as to his direction. Perhaps an inquiry will help sort all that out.

There were some powerful campaign committee members described in *The Toronto Star* article of September 27, 1993. That article listed the members of the campaign committee, including Mr. Eddie Goldenberg, Chaviva Hosek, Jean Carle, Senator Kolber, John Rae, Andre Ouellet, and yourself, Senator Fairbairn — all described as being very close to the Prime Minister. Can you tell me whether any members of that campaign committee had discussions with members of the Bronfman family, for instance, about this matter before the Prime Minister — the then Leader of the Liberal Party — stated that he would delay the agreements on the Pearson deal and then later announced that he would cancel it?

**Hon. Joyce Fairbairn (Leader of the Government):** My honourable friend has wide knowledge of, and involvement in, election campaigns and political activities. He will know that the Leader of the Liberal Party always accepts wide advice from a great many people, in or out of campaign periods.

I am not entirely sure how the inner workings of the Liberal federal election campaign are of great interest to this chamber, any more than the inner workings of the national campaign of my honourable friend's party would be. Suffice it to say that the Prime Minister of today received very wide counsel and advice on the major issues that were developed for his party during the last election campaign.

## PEARSON AIRPORT AGREEMENTS—TRANSPORT CANADA STUDY—REQUEST FOR PARTICULARS

**Hon. Consiglio Di Nino:** Honourable senators, my question is directed to the Leader of the Government in the Senate and also concerns "Pearsongate."

On Tuesday of this week, Minister Young said that the November 4, 1993, Transport Canada study was a "rigged Tory document." However, he corrected himself later that day, indicating that this was not the case; that, in fact, the study was not a pre-cooked Tory document.

Yesterday, during a radio interview, Robert Nixon indicated that the report in question was indeed an analysis engineered by Tories.

Can the Leader of the Government shed some light on this situation by telling us what this document is? Also, could she inform this chamber if Mr. Nixon, like another Mr. Nixon of dubious fame, perhaps misspoke himself on this issue?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, in our analogies in this house, I think we are extending a rather long reach into the American past. However, I will say that these questions about the documents were asked of me, I believe, two days ago, both by Senator Murray and by Senator Lynch-Staunton. I have undertaken to my friends opposite to try to provide the answers quickly. I would advise them that I could not get that material together in time for today's sitting. However, I have asked that the information be put together for me to present to this house and to honourable senators next week.

**Hon. Lowell Murray:** Honourable senators, I will take 30 seconds of this house's time to tell my honourable friend that it is quite important that those matters be clarified, especially in view of the statement attributed to Mr. Robert Nixon a moment ago by our colleague Senator Di Nino.

The author of those documents, as we know from our access to information documents, is now representing Canada in his capacity as Deputy Minister of Fisheries at the discussions with the European Union on the turbot problem. One would assume that the government retains confidence in him and other officials concerned in this matter.

**The Hon. the Speaker:** Honourable senators, I must point out that the time for Question Period has expired. Is there agreement that Senator Di Nino complete his questioning?

**Hon. Senators:** Agreed.

PEARSON AIRPORT AGREEMENTS—REQUEST FOR COPIES OF ALL MATERIAL OR INFORMATION ON WHICH MR. NIXON BASED HIS REPORT

**Hon. Consiglio Di Nino:** Honourable senators, it was reported on the weekend that Mr. Nixon has attributed the discrepancies between his report and other available analyses of the subject on several nuances. Yesterday, he indicated that he had, in fact, other materials in his possession on which he relied in writing his report.

Will the minister table this new material or these other nuances within the next day or so?

**Hon. Joyce Fairbairn (Leader of the Government):** I will add this question to the others on which I am working in order to get the information for my honourable friends next week.

**The Hon. the Speaker:** Honourable senators, I still have on my list quite a few senators' names. If it is agreeable, I will put them first on the list when we next meet. They are Senators Ghitter, Oliver and Forrestall. Is it agreed?

**Hon. Senators:** Agreed.

## PRIVILEGE

**Hon. Landon Pearson:** Honourable senators, I rise on a question of privilege. I hasten to say that I do not wish to make any comments, one way or the other, about the merits of the Toronto airport agreements.

Let me further say that I realize my honourable colleagues do not mean any disrespect. However, in my view a term such as "Pearsongate" is unacceptable, in as much as it dishonours the name of my late and honourable father-in-law. I would ask my honourable colleagues, please, to consider refraining from the use of that particular phrase.

**Hon. Pat Carney:** I rise on a similar question of privilege, honourable senators. I would suggest that the same remarks could be applied to Senator Perrault's use of the term "Torygate."

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# ORDERS OF THE DAY

## APPROPRIATION BILL NO. 4, 1994-95

THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved the third reading of Bill C-79, granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.

**The Hon. the Speaker:** Is it your pleasure honourable senators to adopt the motion?

**Hon. C. William Doody:** Honourable senators, I want to say a word or two for the record on the Supplementary Estimates (D). It is a matter of great concern to this house, as was demonstrated by the discussion we had yesterday. The record should show the concern that the Senate has, and has demonstrated, for the strange and highly irregular use of Estimates as a cover for a borrowing authority.

• (1500)

It does not matter how you look at it or how you phrase it: the fact is that the Estimates have granted to the Canadian Heritage Vote under the subhead of the Canadian Museum of Civilization, under a $1 Vote, the right to borrow an unspecified amount of money for the purposes of their headquarters. To make matters even worse, there is no limit on the amount of money that this Crown agency can borrow. Indeed, it is to be an amount approved by the minister, not by an order in council but by the minister, somewhere down the road.

I feel that this is a serious matter. The government should be made aware of the fact that the Senate is very concerned about it. This is not the first time it has happened. We had a set of Estimates a while ago in which a borrowing authority was granted to the CBC for the borrowing of $25 million. When one thinks in terms of the amount of money that CBC gets from the government on a yearly basis, $25 million is not a very large amount of money. However, giving borrowing authority to a Crown agency through a set of Estimates is questionable, at best.

It seems to me to be a strange new departure — quite apart from the irregularity of it — for the Department of Finance to be passing borrowing authority to individual Crown agencies and departments. My experience in this field has been that the Department of Finance has jealously guarded borrowing authority rights. It has tried to concentrate and centralize the borrowing authority in its own hand so they would know exactly where they stood at any given time in terms of the rates being negotiated, the agencies with whom they were dealing, and the total amount of money for which they were responsible at any given time.

I feel strongly enough about this to ask that a message be attached to the bill bringing the attention of the government to our concern, but I will not press that at this particular time. I would serve notice, though, that I for one will certainly be prepared to do that, or take some alternate option, if this situation repeats itself.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, perhaps I could make a brief comment on the remarks of Senator Doody, as well as those of Senator Tkachuk.

I wish to assure honourable senators that every word uttered in this chamber on this particular issue will be transmitted directly to the ministers involved, together with a stated concern from myself that in the future they pay attention to this kind of procedure.

**Hon. Noël A. Kinsella:** Honourable senators, at second reading, after the speech by my colleague Senator De Bané, I drew the attention of the Senate to the fact that there was what I considered to be an error on page 6 of the bill. I have had an opportunity to check the statutes, and I find that I was correct.

In reference to Vote 76d, the bill reads: "Pursuant to section 12 of the National Museums Act ..." That act has been repealed. I think it should read, "Pursuant to section 12 of the Museums Act ..."

Perhaps our Clerk could advise the Clerk in the other place that there is an error in the bill.

**Senator Doody:** Who is in charge on the other side?

**Senator Kinsella:** Who reads the bills?

Motion agreed to and bill read third time and passed.

### APPROPRIATION BILL NO. 1, 1995-96

THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved the third reading of Bill C-80, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996.

Motion agreed to and bill read third time and passed.

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[*Translation*]

### ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

RIDEAU HALL

March 30, 1995

Sir,

I have the honour to inform you that the Honourable Beverly McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 30th day of March 1995, at 4:00 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. LaRoque
*Secretary to the Governor General*

The Honourable
The Speaker of the Senate
Ottawa

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[*English*]

## ROUTINE PROCEEDINGS

### ADJOURNMENT

Leave having been given to revert to Government Motions:

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday, April 4, 1995 at two o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

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## ORDERS OF THE DAY

### TREATMENT OF ABORIGINAL VETERANS

CONSIDERATION OF REPORT OF ABORIGINAL PEOPLES COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming the debate on the consideration of the report of the Standing Senate Committee on Aboriginal Peoples entitled "The Aboriginal Soldier After the Wars."—(*Honourable Senator Perrault*).

**Hon. Raymond J. Perrault:** Honourable senators, I have a few additional remarks to make about a report which I believe has a great deal of merit.

In January of last year, our good friend and colleague Senator Len Marchand introduced a motion in the Senate to examine and report on the treatment of aboriginal veterans following the First and Second World Wars and the Korean War.

The unanimous committee report, "The Aboriginal Soldier After the Wars," provides illustrations of the difficulties that our aboriginal people faced following their return from active service. The product of lengthy consultation with aboriginal veterans, aboriginal organizations and departmental officials, the report sets out nine recommendations to the Government of Canada.

Many honourable senators had the opportunity to serve if only briefly on that committee, but it was a very good, cooperative effort, devoid of partisan feelings, and chaired in a way that gave us all confidence in the work of the committee.

The following summarizes the testimony presented at the committee's hearings, the committee's assessment of the grievances, and outlines the major recommendations of the committee.

• (1510)

Aboriginal veterans are hurt and disillusioned with the treatment they received following the completion of their service. They find it painfully ironic that they and many of their fallen comrades fought for freedom and equality abroad while not having been extended those same rights and privileges when they returned home. They spoke of the pride, the sense of accomplishment and equal treatment in the war effort, but returned to a place that had not changed much since they left home years before. They spoke not only of their difficulties in re-establishing themselves after the war but also of what they sensed as unequal treatment following the war. They spoke harshly of their difficulties in dealing with the Departments of Veterans Affairs and Indian Affairs after the war. They had literally scores of examples of the insensitive treatment received at the hands of administrators of the demobilization process.

I was struck by the fact that many of them who came to testify before the committee had come from hundreds of miles away at considerable cost and difficulty. I wish it had been possible to have more and longer hearings, but there has to be a limit on the length of committee hearings and on the number of centres visited, as we understand.

The aboriginal people, who participated in the war effort in greater percentages than any other group, feel their contributions have not been recognized. After World War I, access to land was restricted by the Indian Act, which then prohibited Indians from homesteading in the west. The full benefits of land and loans to establish themselves under the Veterans Land Act were not provided to the same extent as to non-aboriginal veterans. Benefits and other assistance were not effectively communicated to aboriginal veterans and thus assistance was not provided.

The delivery of benefits by Indian agents, together with the prevailing paternalistic attitude, did not afford Indian veterans with the same opportunities to make their own resettlement plans. Many veterans lost their status on the encouragement and mistaken assumption that they had to do so to serve in the Armed Forces. They were discriminated against because they were aboriginal. In the case of the Métis, they fell through the cracks, in a sense, as, although they were legally Canadian citizens, they were treated as Indians by society.

Many witnesses told us during the hearings that all they wanted before they died was for the committee and Parliament on behalf of the people of Canada to say, "I am sorry for the bad treatment you received after the wars" and to recognize the great contribution made by them to this country during the wars. An overwhelming number of witnesses had no big financial claim against the government. They just wanted some sort of recognition.

The committee seems to have been careful in its report to outline the limits of its inquiry and the nature of the hearings. It recognizes the differences between the spoken remembrances of veterans and the written record of department administrators. Given the length of time that has elapsed, the committee was careful to underscore the importance of the oral testimony of the veterans.

Generally, I think, the committee did not find much with which to take issue in the testimony provided by the veterans. There is recognition in this report that it could not alter the policies nor the societal attitudes of the post-war era, but nor would it excuse such attitudes. The committee agreed there must be an expression of deep and sincere regret, both for the inequitable and insensitive treatment of the returning aboriginal veterans and for the silence and the neglect of their needs by the Canadian government and society.

The report acknowledges that the Veterans Land Act did not take into account the particular needs or living situations of returning veterans and that prejudice. With regard to the administration of benefits, it acknowledged that the strictures imposed by the Indian Act left the door open for "malfeasance, misinformation and the undercutting of a relationship of trust and respect."

The report makes two major recommendations. The first calls on the Government of Canada on behalf of the Canadian people to recognize the special contribution of aboriginal veterans during the First and Second World Wars and the Korean War and apologize to aboriginal veterans for the inequities and insensitive treatment they experienced after they returned from these wars. The second recommendation could be described as a centrepiece of the recommendations. It states that a scholarship foundation should be established in the memory of aboriginal soldiers as a tangible and lasting acknowledgement of the veterans' contributions and as an indication of the seriousness of Canada's intention to build a better future.

The balance, as honourable senators will see, relates to recommendations to the Royal Canadian Legion to ensure a formal role for aboriginal veterans in Remembrance Day ceremonies; for Veterans Affairs to follow up on individual grievances; and to establish new procedures for dealing with aboriginal veterans, including the establishment of an independent investigator.

Finally, the report calls for prompt attention to improving the living conditions of aboriginal veterans and calls upon the Government of Canada to provide funding to the National Aboriginal Veterans Association and other established veterans groups.

Honourable senators, as I said yesterday, this is a first rate report. Credit goes to Senator Len Marchand for introducing his motion in the first instance, to the chairmanship of Senator Raynell Andreychuk for her good work and to all those who participated in the effort to give our aboriginal peoples a fair and decent hearing.

On motion of Senator Berntson, debate adjourned.

## BANKING, TRADE AND COMMERCE

SIXTEENTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the sixteenth report of the Standing Senate Committee on Banking, Trade and Commerce (budget—study on the financial system in Canada).—(*Honourable Senator Kirby*).

**Hon. Michael Kirby** moved the adoption of the report.

Motion agreed to and report adopted.

## VIOLENCE IN SOCIETY

INQUIRY—DEBATE CONTINUED

On the Order:

> Resuming the debate of the Honourable Senator Cools, calling the attention of the Senate to the issues of violence in society, within the family, and children at risk.—(*Honourable Senator Cools*).

**Hon. Anne C. Cools:** Honourable senators, on Tuesday last, I had been saying that the Juvenile Delinquents Act of 1908 was to assist the child whose primary problem was a lack of proper care from his parents. It was preferable to prove delinquency in the child rather than delinquency in the parents; that is, neglect by the parents.

The government in its intervention assumed the role of the *parens patriae* — that is, the state as parent. The Juvenile Delinquents Act was also an initiative to bring these matters into federal jurisdiction, a very difficult constitutional question indeed.

Honourable senators, today my point is abuse and aggression in the family, its expression in the family and its consequences for society.

In 1978, a subcommittee of the Standing Senate Committee on Health, Welfare and Science undertook a study on childhood experiences as causes of criminal behaviour. The committee's report, "Child at Risk," a fine piece of work, concluded:

> Good parenting is of overwhelming importance to the developing personality of the child. Close affectional ties with an adult in early life and consistent loving and care and nurturance in the early years are essential to the optimal development of the child.
>
> It seems there is rarely no alternative to tender loving care. Whatever can be done to help parents to do the job of parenting well will at the same time be preventing future criminal behaviour.

• (1520)

Some citations from the 1980 Senate report "Child at Risk" are:

> The Committee has been convinced by expert witnesses that much of the violent crime committed by adults can be traced to a breakdown of parenting in the early childhood period...
>
> It is not only the battered child but the neglected one as well who runs a high risk of becoming a violent adult...
>
> Several psychiatrists who appeared before your Committee agreed that violent criminal behaviour is a direct result of abuse and neglect in the first three years of life...
>
> The unsocialized, aggressive child is likely to be the product of a home in which it is an unwanted or illegitimate child, and has met with rejection from the mother...
>
> It is generally accepted that "maternal deprivation has a detrimental effect on character development"...

Honourable senators, while it has not been determined that all abused children become violent adults, it has been established that almost all violent adults were abused and neglected children.

I should like to review some literature and share some findings which indicate that mothers are perpetrators of abuse upon children at least equally with fathers. The Health and Welfare Canada report of 1989 entitled "Family Violence: A Review of Theoretical and Clinical Literature" cites Breines and Gordon as having stated, in 1984, that physical abuse of children is the only form of family violence in which women are the perpetrators as often as men.

This report also states that Richard Gelles, in 1979, cited studies that the abusers are often female. In one 1969 study of Bennie and Sclare, this was found in seven out of ten cases examined, and in another of Steele and Pollock in 1968, in 50 out of 57 cases.

Other studies — Zalba in 1971 and Gill also in 1971 — showed women to be abusers in 50 per cent of the cases.

The Health and Welfare Canada report also states that Bell, in 1986, found evidence that mothers are more likely than fathers to be abusive; that Benedict et al, in 1985, identified the mother as the abuser in 38.7 per cent of cases and the father in 18.4 per cent, rising to 31 per cent when stepfathers and boyfriends are included; that Creighton, in 1979, found that mothers or mother substitutes are the suspected abusers in 44 per cent of cases and fathers or father substitutes in 46.5 per cent.

Ralph Weisheit, in a 1986 article entitled "When Mothers Kill Their Children," found in a study of 460 female offenders in prison between 1940 and 1983 for homicide that 39 were institutionalized for killing their children. Finally, Richard Gelles, in 1978, found that mothers' violence toward children was significantly higher than that of fathers. Seventy-six per cent of mothers, as opposed to 71 per cent of fathers, reported at least one occurrence of violence during the course of raising the child.

Dr. Craig Allen of the Department of Human Development and Family Studies at Iowa State University, recently sent me data from the Child Abuse Register of his home state of Iowa that shows that of the children abused by biological parents between January 1984 and June 1987, some 64.5 per cent were abused by mothers.

Closer to home, here are recent Canadian and Ontarian data on child abuse: On child abuse morbidity, University of Toronto's Dr. Cyril Greenland, in a 1986 analysis of 100 child abuse or child neglect deaths, or CAN, from 1973 to 1982 in Ontario, in an article from the chief coroner's office entitled "Identification and Management of High Risk Cases," reported that:

> Natural parents were the perpetrators in 63 per cent of the deaths; mothers were involved in 38 deaths, fathers in 13 deaths and both parents in 12 deaths.

About the child victims, he continued:

> The risk of death due to CAN is highest in the first year of life. The Ontario data, confirmed by most other studies, show that well over half of the victims...died before the age of 12 months. An additional 25 per cent...died before the age of two years. Only five per cent of the victims were over the age of five years.

The Toronto Institute for the Prevention of Child Abuse, in its 1994 report entitled "Ontario Incidence of Reported Child Abuse and Neglect," tells us that in 1993 there were 46,683 child maltreatment investigations by all 54 Children's Aid Societies. The study defines child maltreatment as any one of physical abuse, sexual abuse, neglect, or emotional maltreatment. The findings are as follows: Of the total substantiated cases of child maltreatment, mothers were perpetrators in 49 per cent and fathers in 31 per cent of the cases. In the category of child neglect, mothers were perpetrators in 85 per cent of the substantiated cases. In the category of child physical abuse, biological mothers were perpetrators in 39 per cent of the substantiated cases and biological fathers in 40 per cent of cases. In the category of emotional maltreatment, mothers were perpetrators in 79 per cent.

This study found that:

> ...boys were most strongly over-represented in the area of physical abuse, especially in the zero to three-year-old category, where boys accounted for 59 per cent of investigations...

and male children aged four to eleven years accounted for 55.5 per cent. The single largest number of investigated families, 35 per cent, was the single mother family.

Honourable senators, these data speak where these defenceless children cannot.

On the matter of mother-only families, Biller, in 1981, found that early father absence has a strong association with delinquency, committal to training school and recidivism among males. Wilson and Herrnstein report that a longitudinal research study of children in a predominantly black area of Chicago found that children raised in mother-only families were, by the third grade, more likely to be aggressive.

In 1989, Toronto's Peter Silverman's examination of abuse and neglect concluded that more physical abuse occurs in single parent households led by females. James Wilson, in an article in 1994 entitled "What to do About Crime," confirms this. He said:

> The evidence...is quite clear: even if we hold income and ethnicity constant, children (and especially boys) raised by a single mother are more likely than those raised by two parents to have difficulty in school, get in trouble with the law, and experience emotional and physical problems.

Honourable senators, violence and aggression are the nemesis of child neglect. Wilson and Herrnstein, the foremost authors on crime and violence in the United States, in their book *Crime and Nature,* wrote that:

> ...All the boys from quarrelsome families with erratic discipline, but only one-fourth of those from cohesive families with consistent discipline, were convicted of a crime. Interestingly...it was the mothers' behaviour that made the greatest difference in the boys' criminality.

Before our Senate Subcommittee on Childhood Experiences, Dr. Robert ten Bensel, Director, Maternal and Child Health at the University of Minnesota, said this about dangerous offenders:

> I have never met a violent juvenile delinquent who was not abused as a child...Secondly, all of the criminals at San Quentin prison who have been studied had violence upbringing as children.

That study was attributed to Gelles —

> Thirdly, all assassins, or individuals who have attempted assassinations in the United States during the past 20 years had been victims of child abuse: There is a 100 per cent correlation.

That, again was attributed to Gelles. About dangerous sexual offenders, he also testified:

> If you look at the problem of sex murder...you find that they all came from broken families and suffered cruelty and brutality, usually at the hands of a woman, plus acting out, as a child, vandalism, arson, and cruelty to animals. You see the pattern over and over again. There is cruelty to animals, cruelty to kids, and if a woman has beat up on you, then you are more likely to become a sex murderer.

This is not Anne Cools speaking; this is one of the foremost thinkers in the field.

Honourable senators, the impact of family aggression on these little people, little boys and girls, is immeasurable. The panic, fear and anxiety that awakens in their heads, minds, and bodies eludes most of us. Absolute terror grips them, and all of this in their precognitive and prerational minds. Their little crouched bodies, their little shoulders, taut as drawstrings, are filled with pain and anguish. As these little people's undeveloped psychological systems are strained, as their nerve endings are eroded by behaviours they cannot comprehend or control, the damage is inflicted by uncaring or uncontrolled large persons who tower over them.

• (1530)

Meanwhile, these little people acquire other sets of impulses, impulses which are largely ungovernable, impulses that operate quite differently as a function of their gender, impulses that in the male child become uncontrollable, violent and even homicidal. These little people's pain is incalculable. When these damaged little people become big people, the pain and suffering they will inflict on others is unspeakable. When all languages fail, the language of human suffering and tragedy will speak. I have seen the crouched person of the physically abused child and the blank, listless, unresponsive person of the neglected child.

Honourable senators, in the formative years, the child's mental and sensory stimulation is essential, and the child's personality structure is moulded. Aggression, physical and verbal, parents' emotional unevenness, and family instability play a major role in negative formation.

The responses to my statements on March 7, 1995, were overwhelming and supportive, including from many academics, psychologists, professionals, practitioners, field workers and researchers. Dr. Debra Pepler, Director, LaMarsh Centre for Research on Violence and Conflict Resolution at York University, wrote in support:

> Our research on children of battered women,... reveals that there is a wide range in the adjustment of children who have witnessed their mothers being abused. Some children exhibit extreme behaviour problems, whereas others are remarkably well adjusted in spite of substantial adversity. The factor that most clearly differentiates the well adjusted children from those who are poorly adjusted is the mothers' report of verbal aggression (e.g, yelling and screaming) to her children. As you have stated, we have found that mothers who can somehow manage to be loving, positive, and nurturant with their children even though they, themselves, are highly stressed, promote the healthy development of their children.

Dr. Reena Sommers of Family Violence Research, St. Boniface General Hospital, wrote in support:

> The real issue of family violence has been totally obscured by special interest groups headed by feminists. Their perspective... ignores... important elements of this serious social problem. Among these are the abuse of children by mothers as well as fathers, the abuse of women by other women, and as well, the abuse of men by women. General population research examining family violence has consistently shown that there is no statistical difference in the rates of abuse perpetrated by men and women against each other or against their children.

Dr. Andrew Brink, former Coordinator, Humanities and Psychoanalytic Thought Program, Trinity College, University of Toronto, wrote to me supportively saying:

> I completely agree with your remarks on mothering and violence in boys...Newer studies to support your statement are emerging from the Attachment Theorists, following from the work of the British psychoanalyst John Bowlby.

Dr. John Bowlby, honourable senators, was a major clinician and scholar. One of the major contributions Dr. John Bowlby left for humanity was a definitive study and work on maternal privation, which he did for the World Health Organization around 1950 or 1951. It was an exceptional piece of work.

Dr. Jim O'Brien, a psychiatrist in Nova Scotia, telephoned the CBC Radio program *As It Happens* on March 10, 1995, and said:

> I did a small prospective study. In a four year period, I asked every new female patient who came to see me if there was violence in the home. Fifty-five said yes. Of that 55, 55% said the violence came from their mothers and 35 per cent said that the violence came from their fathers and the rest said both.

In Toronto, CFRB Radio ran a talk show on March 8, 1995, about my remarks and held a survey. They put the question to their listeners: "When you were growing up, which parent was more abusive — your mother or your father?" Of 200 respondents, 62 per cent said mothers and 38 per cent said fathers. I was informed that 70 per cent to 80 per cent of the callers to the Lowell Green talk show on CFRA Radio in Ottawa agreed with me.

I am also informed that on March 9, 1995, Maclean Hunter Broadcast News placed a question to their viewers with regard to my remarks, "Do you agree"? Of the 273 respondents, 57 per cent agreed and 43 per cent disagreed.

Honourable senators, certain feminist ideologues, too few to number, claim insult and injury from what I said. Some even attacked me personally in brutish, Philistine and uncharitable statements. These loud persons, in their feminine aggression, are unaware that they have merely transported that peculiar aggression from the home to the workplace, even to politics.

The term "violence against women" is a term that has taken currency only in recent years. It is coloured and camouflages the real issues of aggression and all its ugliness.

Dr. Murray Straus, Dr. Richard Gelles, and Dr. Suzanne Steinmetz, foremost scholars on domestic violence, frequently report that violence is equally perpetrated by males and females against their children and against each other. The National Family Violence Surveys conducted by Gelles and Straus find this. However, I shall leave the issue of spousal violence for another day.

Honourable senators, I will close by urging balance in the family violence discussion.

**The Hon. the Speaker:** Honourable Senator Cools, I am sorry. Under the rules, I am unable to let you continue unless leave is granted.

Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

**Senator Cools:** In recent years, the primordial, the primeval and the phylogenetic have been dominant in this discourse. This fact has been buttressed, if not engineered, by the tyranny of political correctness and its various consorts. In many instances, reason has been abandoned and sometimes even ceded to unreason. When unreason prevails, truth is the first casualty, if not the first fatality.

Honourable senators, sole proprietorship by gender of aggression, violence, love or charity is repugnant to human nature and to human intelligence.

I thank honourable senators for their patience.

On motion of Senator Haidasz, debate adjourned.

**The Hon. the Speaker:** Honourable senators, pursuant to rule 135(4), the sitting is suspended until 3:55 p.m. I do now leave the Chair.

The Senate adjourned during pleasure.

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• (1600)

[*Translation*]

## ROYAL ASSENT

The Honourable Beverly McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Deputy Speaker, the Honourable the Deputy Governor General was pleased to give the Royal Assent to the following bill:

An Act to provide borrowing authority for the fiscal year beginning on April 1, 1995 (*Bill C-73, Chapter 8, 1995*)

The Honourable David Kilgour, Deputy Speaker of the House of Commons, then addressed the Honourable the Deputy Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995 (*Bill C-79, Chapter 9, 1995*)

An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996 (*Bill C-80, Chapter 10, 1995*)

To which bills I humbly request Your Honour's assent.

The Honourable the Deputy Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

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The sitting of the senate was resumed.

The Senate adjourned until Tuesday, April 4, 1995, at 2 p.m.

# THE SENATE

**Tuesday, April 4, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### CANADIAN BROADCASTING CORPORATION

FELICITATIONS ON THE APPOINTMENT OF THE HONOURABLE PERRIN BEATTY, P.C., AS PRESIDENT AND CEO

**Hon. Donald H. Oliver:** Honourable senators, when I was growing up, my parents always taught me that when someone does something nice, you should say "thank you." Not much has happened since November of 1993 for which to thank the government until now. On behalf of members of this side of the Senate, and on behalf of all the people of Canada, I say thank you for appointing the Honourable Perrin Beatty as President and CEO of the Canadian Broadcasting Corporation. This appointment is in keeping with the traditions set by Prime Minister Mulroney of appointing eminent people from other parties.

Mr. Beatty is a man of great knowledge and integrity who is thoroughly respected in the communications field, and he is certainly no stranger to hard work. I had the pleasure of dealing with him in 1992 when the Standing Senate Committee on Transport and Communications was carrying out its pre-study of Bill C-62, the Telecommunications Bill. He told the committee that as Minister of Communications he was willing to consider any of our reasonable suggestions for improvement of the bill. True to his word, all of our major recommendations for change in that bill were accepted, including the elimination of a departmental licensing scheme for telecommunications companies.

This appointment comes at a time when the Transport and Communications Committee is about to undertake its proposed order of reference which includes a complete study of the future of the CBC. I look forward to working on this study with Perrin Beatty in his new position as president of the CBC.

The fact that Mr. Beatty has not previously run a $1 billion corporation is not of major concern to me. Most of us have not. We do know that he has successfully run six major government departments. Canadians are indeed fortunate that he has accepted this assignment. He has the ability to guide the corporation through these uncertain times and the credibility to gain the confidence of the communications industry. I look forward to his early appearance before the Standing Senate Committee on Transport and Communications.

### GATINEAU

DONATIONS REQUESTED FOR VICTIMS OF RECENT FIRE

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I am sure we have all either read or heard of the tragic fire in Gatineau last Friday. It left approximately 150 people homeless — most of them young, single mothers. They now find themselves in a situation where they are without a home, without memories, and without possessions. It truly is a tragic situation, and help is needed now.

Last Saturday, my wife Joan and I were out for a drive, and we found ourselves driving through that part of the city of Gatineau. The magnitude of this tragic event struck home. As we were returning home, Joan suggested that as soon as we got home we should rummage through our closets to see what we could contribute to this worthy cause. Before we got home, she also suggested that we should also look beyond our own closet. She then talked about starting a Tory caucus initiative at the Senate.

Being the partisan person that I am, I thought it was a great idea to talk to my colleagues in caucus about this tragedy. But being the fair person that I am, before I did so I talked to my counterpart, Senator Graham, who suggested that we should make this a non-partisan event so that all senators could participate in this worthy cause.

In order to make sure that we were not breaking any rules, we talked with the Clerk of the Senate, who suggested that we engage the whole Senate in this plan — that is, all the senators, their staff and the administration — to make it a cooperative effort for this worthy cause.

• (1410)

It appears that we have arrived at a means of doing just that. Honourable senators will be receiving later today no doubt, either by mail, fax or E-mail, a letter signed by Senator Graham and myself. It will encourage you to test your heart. There will be boxes mounted in the Senate foyer and at all other Senate entrances for clothing, linens, toys, small appliances, and canned and dried goods. For your convenience, Senate messengers have volunteered to pick up donations of all kinds. Please let your wallets speak for your heart, and give generously.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I thank and congratulate the Deputy Leader of the Opposition for his statement, and most especially, as I am sure all senators would agree, for the ideas contained within that statement. As I understand it, not all but most of the good ideas that emanate from the Berntson household come from Mrs. Berntson, who happens to be sitting in the gallery. I congratulate her as well.

In the letter you will be receiving, it is indicated that tax receipts can be issued for any donations of $10 and over. Honourable senators can either request the tax receipt, or can

take the opportunity to see all the skeletons that the Berntsons might find in the closet which the senator said he was cleaning out.

This is a very worthwhile initiative, and certainly it has the support of the people on this side. I congratulate those responsible. I am particularly pleased that the administration and staff are responding in such a generous and wholehearted way. I hope it is something we will see more of in the future.

## VISITORS IN GALLERY

PARLIAMENTARY DELEGATION FROM AUSTRALIA

**The Hon. the Speaker:** Honourable senators, it is with pleasure that I draw your attention to the presence in the Speaker's Gallery of a parliamentary delegation from Australia led by a senator, the Honourable Michael Beahan, the President of the Senate. Mr. Beahan is accompanied by three senators and three members of the House of Assembly of Australia.

# ROUTINE PROCEEDINGS

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, April 5, 1995, at one thirty o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

[*Later*]

## STATE OF CULTURE IN CANADA

NOTICE OF INQUIRY

**Hon. Jerahmiel S. Grafstein:** Honourable senators, I give notice that on Thursday, April 6, I will call the attention of the Senate to the state of culture in Canada.

# QUESTION PERIOD

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—TRANSFER OF ADMINISTRATION TO LOCAL AIRPORT AUTHORITY—NATURE OF LEGAL IMPEDIMENT

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, once again I must ask the Leader of the Government to interpret and explain another outlandish statement by her colleague the Minister of Transport.

Last week, the Minister of Transport was quoted as saying that Tory stalling tactics in the Senate are costing the Toronto area up to 15,000 potential new jobs at Pearson International Airport. He said that he would meet with members of the airport authority Tuesday, today, in Toronto to see if the 10,000 to 15,000 jobs can somehow be saved.

Honourable senators should know that the cancellation of the contracts led to the loss of 700 jobs. If the agreements were in force now, there would be some 3,500 people working on the site. However, I am not rising to question how the minister supports the difference between 3,500 and 15,000. The government and the Leader of the Government in the Senate repeatedly blame the delay in passing Bill C-22 for the delay in transferring Pearson airport to the Greater Toronto Regional Airport Authority. By the way, as Senator Murray very accurately pointed out last week, the delay in transfer is the responsibility of the government.

Can the Leader of the Government tell us what there is in Bill C-22 that has to be approved before the administration of Pearson airport can be transferred to the airport authority?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will check with my colleague on the question of the number of jobs and the figure that he has been citing. As I have previously indicated in the Senate, and in answer to written questions, the Toronto Airport Authority can only function in an advisory capacity until the successful passage of Bill C-22.

**Senator Berntson:** That is not right.

**Senator Fairbairn:** My friend says, "That is not right." I have repeatedly questioned those who have the responsibility for this file, and I am advised that that is correct. I will question them again, and I will do so in the context of my friend's question.

On the statement regarding the delay, I listened carefully to Senator Murray's question. This bill has had a lengthy path. Since coming to this house, it has gone back to the other House, come back to this house again, and then gone to committee. Obviously, the fact that it has not been passed has an effect on the creation of jobs in Toronto. Whatever the numbers may be, that does have an effect.

I am not in a position at this point in time to find fault, but I will say that efforts to work together and to obtain successful passage of the bill will continue. I sincerely hope we will be successful.

**Senator Lynch-Staunton:** Honourable senators, the question was: What is there in the bill which prevents the transfer of the airport to the airport authority? The question was not answered directly. A direct answer would have been, for example, "There is a legal impediment because one of the parties has a lease which can be used to block the transfer of the title from one party to the other." That may be so. Let us assume that there is a legal impediment. All parties to the previous agreements, including the party which is subject to the so-called legal impediment, have said repeatedly — verbally and in writing — that they will not stand in the way of the transfer of the airport to the airport authority, whether or not there is a legal impediment.

• (1420)

This is the question I ask: Why does the government not take the parties at their word and proceed with the transfer immediately, if the lack of transfer is the sole item preventing the creation of 15,000 new jobs?

The parties are saying to the government: "Go ahead with the transfer. We will not stand in its way." The government says "There is a legal impediment." The parties then say: "Legal impediment or not, we accept the fact that the contracts were cancelled. Transfer, and do it any time you want." The government's reply is: "We will not."

This is a "Catch-22" situation created by the government, which can proceed with the transfers. Why are you not doing so?

**Senator Fairbairn:** Honourable senators, this is not the moment in time to go back over the lengthy history of this issue. This issue was not of the government's choosing, and that is clearly recognized. Indeed, it was clearly indicated during the last election campaign.

The government took a policy decision on the issue which resulted in a bill being placed before both Houses of Parliament. We are endeavouring to have that bill passed. We are also endeavouring to work through some of the legal and constitutional issues which have been raised by friends in this chamber, as well as people who have appeared before our committee. The solution to this issue is the passage of Bill C-22, and we are working very hard on that.

I would again say to this house that I remain optimistic that passage will be achieved, and we can then get on with the proper development of the greatest airport in this country, in the city that my friend Senator Doyle holds so dear. We will continue to try to reach a solution, in order to allow the proper development of that airport to proceed as quickly as possible.

**Senator Lynch-Staunton:** Again, I wish the minister would get closer to answering the question, rather than making her vague answers.

Even if Bill C-22 were passed today, sent to the house and given Royal Assent before the end of the week, is it not true that there are no negotiations taking place on the lease right now between the government and the airport authority which has been created? The non-passage of Bill C-22 does not stop discussions from taking place, subject to the passage of that legislation. Is it not true that the chief executive officer who will be responsible for these negotiations has not yet been hired by the airport authority? Is it not true that a business plan, which is essential for the financing, is not even in place, and therefore the banks cannot be called upon to provide financing?

Finally, legal impediments or not, is it not the case that Transport Canada's own schedule provides for no transfer of the airport to the Greater Toronto Regional Airport Authority before April 1, 1996? This is Transport Canada's own schedule.

Why does the government not admit that what it claims as reasons for Bill C-22 being stalled are completely inaccurate? No matter what happens to Bill C-22, the government's own schedule sets out that the airport will not be transferred until, at the earliest, April 1, 1996. That is my information, and the difference between the information I bring to this house and the information brought by the Leader of the Government is that I get it from reliable officials at Transport Canada, whereas she must rely on her unreliable colleague the Minister of Transport.

**Senator Fairbairn:** Honourable senators, I really must take exception to my honourable friend's last statement.

**Senator Lynch-Staunton:** Fifteen thousand jobs?

**Senator Fairbairn:** The information with which I am furnished in order to respond to the questions of colleagues from either side of this house is provided to me by loyal public servants in the Department of Transport, working with the minister's office. There is no question, as my friend Senator Murray would know, that a tremendous amount of effort and care is put into the provision of such information so that members of this house will be informed accurately.

I will undertake, as I always do, to take my honourable friend's specific questions back to the Ministry of Transport and the Minister of Transport. I will endeavour to have for him tomorrow responses to the specific and detailed questions of colleagues which were asked last week. It is to be hoped that I will be able to add the questions of my honourable friend to that list and also provide him with responses tomorrow or on the following day.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** As a supplementary question, honourable senators, perhaps those good and loyal public servants in the Department of Transport are the same good and loyal public servants who allegedly rigged their internal report to the minister in favour of the Tories?

**Senator Fairbairn:** Honourable senators, I am not at all aware of which public servants my honourable friend is talking about. My confidence is strong in the public servants of the Department of Transport. I, personally, thank them profusely for the assistance they have given to me and to this house.

## PEARSON AIRPORT AGREEMENTS—REQUEST FOR TABLING OF LAWYER'S TIME DOCKETS RELATING TO MEETING WITH MATTHEWS GROUP

**Hon. Orville H. Phillips:** Honourable senators, last week, as I directed questions to the Honourable Leader of the Government, she relied on the statement of a Mr. LaBarge, who at that time was associated with Lang Michener, in confirming the reply made by Mr. Chrétien to a question raised in the other place.

In a recent article in the *Financial Post*, Mr. LaBarge has changed his attitude somewhat. He now says that the Prime Minister is confused on the dates, and that he, Mr. LaBarge, was not present for the full meeting. Therefore, he is not able to confirm the topic of the meeting. It reminds me of Kato Kaelin, to some degree.

Mr. LaBarge said that he has checked his dockets for that time. My question is based on those dockets. The Matthews Group, in an effort to include Mr. Chrétien's fee in their expense claim, are proceeding through the Law Society in an attempt to obtain those dockets relating to Mr. Chrétien's fee.

I am sure the Prime Minister finds it rather embarrassing and degrading to have this affair dragged through the Law Society of Upper Canada, of which he is a member. I am attempting to get him out of that difficult situation.

I would ask the Honourable Leader of the Government if she would request that the Prime Minister please table those dockets in both this honourable chamber and the other place. Would she please request the Prime Minister to table those dockets? We will then have an idea of who is being factual — the Prime Minister or all those people who are contradicting him.

• (1430)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am not relying on the word of Mr. LaBarge. I am repeating in this house the word of the Prime Minister of Canada, who has spent a lifetime in the service of this country with honesty, honour and integrity. I do not have to ask Mr. LaBarge to answer these questions for the Prime Minister of Canada. The Right Honourable Jean Chrétien has answered those questions himself. As always, I am more than pleased to pass on questions on this issue or any other issue to my colleagues in the other place, including the Prime Minister. I have no hesitation in accepting the answer of the Prime Minister of Canada and repeating it here in this house.

**Senator Phillips:** Honourable senators, I am pleased to hear that the honourable leader will pass on my request. I repeat that the expressions of doubt are not only mine. There are many others involved who have expressed doubt. I am sure they would like to see the dockets as well as all those many thousands of Canadians who have doubt about the Prime Minister's reply.

[*Translation*]

PEARSON AIRPORT AGREEMENTS—POSSIBLE REVISION OF REPORT OF ROBERT NIXON—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, my questions are about this same matter I dare not identify today.

Honourable senators, my questions concern the Nixon report: a recent article in the *Ottawa Sun* seems to raise some doubts about the existence of draft reports, which would have been submitted to the Prime Minister or one of his assistants. These assistants may have made changes to Mr. Nixon's draft report and the corrected version was later identified as Mr. Nixon's report.

Honourable senators, my first question deals with this assumption: Did the Prime Minister's assistant or assistants make changes to Mr. Nixon's report when they received it?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, along with my honourable friend's many other questions, I will add these to the list and endeavour to obtain answers for him.

PEARSON AIRPORT AGREEMENTS—REQUEST FOR COPY OF STAMPED RECEIPT NOTATION ON MR. NIXON'S REPORT

[*Translation*]

**Hon. Pierre Claude Nolin:** Honourable senators, to help me understand the sequence of events, could you obtain from the Prime Minister's Office — because the procedure has probably remained the same despite the change in government: any document sent to the Prime Minister's Office is received, taken out of the envelope and stamped with the time and date of reception as well as the name of the person who opened the envelope — a duly stamped copy showing that they received the first version of the Nixon report?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am quite prepared to refer the question of my honourable friend to the person who is in charge of stamping and delivery. I am sure there is no problem with passing on his comments. I am extremely interested in all the questions that my honourable friends are asking about this matter.

I will repeat, as I have on other occasions, that Mr. Nixon prepared a report for the Prime Minister. He gave it to him and it was made public. All of Canada knows what it contains.

## NATIONAL DEFENCE

RESTRUCTURING OF CANADIAN ARMED FORCES RESERVE—REQUEST FOR ANSWER

**Hon. J. Michael Forrestall:** Honourable senators, I wanted to ask this question last week before the month of March ended. It has to do with the undertaking by the Minister of National Defence to strike a group to review the reserve structure. If he could not do that, I wanted to know if he could at least bring forward terms of reference so we might learn what the objective of the government is all about.

The end of the month having come and gone without any word from the government leads one to question whether or not there is any sincerity behind the undertaking. I hope the minister will have an answer to my question, since it is now April 4. It is a relatively important matter.

COMPENSATION FOR CANCELLED EH-101 CONTRACTS—
GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, my question comes on the heel of the announcement by the government last week that it has agreed to pay the technology company UNISYS $166 million in compensation for the cancelled $1.3 billion contract it had to supply computer systems for the new helicopters. Keeping in mind that the government set aside $250 million in total to compensate for all cancelled contracts concerning the EH-101, could the Leader of the Government please update honourable senators on how the negotiations with other contractors are going, including the $1.4 billion contract that EH Industries Limited had with the federal government?

Honourable senators, my concern is that in light of the total amount of $250 million allocated for compensation, over half of it is now earmarked for one of these contracts. Can the leader say, given these self-imposed limits, how the government will negotiate the other outstanding contracts? When can we expect to have some kind of clarification? This issue continues to confuse and addle those who would like to participate in the replacement of those two very vital pieces of equipment.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I can understand the concern of my honourable friend. I will seek the detailed information that he asks for which, obviously, I do not have at my fingertips.

I hope to have soon a response for Senator Forrestall with respect to his question about the reserves. I had hoped to have it last week. I will try to have it for him before we break.

## DELAYED ANSWER TO ORAL QUESTION

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have one delayed answer in response to a question raised in the Senate on March 23, 1995, by the Honourable Senator Cohen regarding the status of women.

## STATUS OF WOMEN

REQUEST FOR BREAKDOWN OF PROGRAM SPENDING
FOR CURRENT YEAR AND NEXT FISCAL YEARS

(*Response to question by Hon. Erminie J. Cohen on March 23, 1995*)

The following provides program funding including salary and employee benefit plan, based on available information:

1994 – 1995

| Status of Women Canada | Women's Program | CACSW |
|---|---|---|
| $4,679,059 | $ 9,986,487 | $3,154,714 |

Budget 1995 – 1996

| Status of Women Canada | Women's Program SWC | CACSW |
|---|---|---|
| $3,927,000 | $11,289,000 | $2,000,000 |

The Canadian Advisory Council on the Status of Women (CACSW) budget is to be transferred to Status of Women Canada (SWC) as of April 1, 1995, in the amount of $2M. However, the CACSW will incur expenditures due to the Workforce Adjustment policy for all its employees, as well as wind up costs, which may in fact result in limited funds being transferred to SWC in the fiscal year 1995-1996.

As well, it must be noted that the Women's Program 1994-1995 expenditures do not include the operations expenditures applicable to the regional offices. Hence, the 1995-1996 budget for the Women's Program will also be reviewed to include the regional expenditures following negotiations with Human Resources Development.

# ORDERS OF THE DAY

## THE BUDGET 1995

STATEMENT OF MINISTER OF FINANCE—
INQUIRY—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Spivak, calling the attention of the Senate to the budget presented by the Minister of Finance on Monday, February 27, 1995—(*Honourable Senator Kinsella*).

• (1440)

**Hon. Noël A. Kinsella:** Honourable senators, in rising to participate in the debate on the budget, one finds oneself faced with the question: What is the government's vision for the country? One will search the budget in vain to find that vision. If there is no vision for Canada to be found in the budget, perhaps one should turn one's attention to the infamous Red Book for that vision.

Honourable senators, the problem is that this little manifesto, which our friends opposite and their friends are wont to wave frantically about, has been reduced by the budget to "pulp fiction." The number of Red Book promises in the budget are legion and by now well known. Many of them were identified by questions by honourable senators in the past few weeks.

We know about the "eliminating" instead of the "increasing" of jobs, about expected higher interest rates this year instead of the promised lower rates, about the elimination of the Crow benefit, about the unilateral cuts to transfer payments instead of negotiating with the provinces, about the fact that there has been no mention of the promised 50,000 new child care spaces, and so on. There are many elements in the budget which we would support, but they seem to appear in a rather ad hoc fashion and without a sense of vision.

Honourable senators, beyond that, one aspect of the budget which is particularly troubling to me is the broken promises to consult with the provinces before changing Canada's social safety net and before making cuts in transfer payments to the provinces. This may be the government's idea of fiscal federalism, but it is certainly no one's idea of cooperative federalism. In fact, these arbitrary and unilateral changes to the economic and social fabric of Canada violate the essential meaning of federalism. I respectfully remind honourable senators that it is federalism which has been the essence of the Canadian government and the heart of national unity since Confederation.

This budget also represents a step backward, not forward, in social policy development. Generally, the evolution of social security in Canada corresponds with the responsibility for social provision shifting from churches and charity to municipal authorities, then to provincial levels and finally to the federal level. Under the leadership of successive federal governments, and with provincial cooperation, our country has developed a social safety net which has given the nation the reputation of being a progressive, caring and compassionate society.

Unfortunately, this budget represents a complete reversal of that progressive evolutionary process. Many of our colleagues opposite were league players in that process and, no doubt, many of them find it difficult to buy into this new philosophy that seems to be emerging.

In the budget, the Liberal government has co-opted the right-wing reformist agenda. It has unilaterally pushed the responsibilities for social programs down onto the provinces. With fewer dollars but more responsibilities, the provinces will in turn push many of these responsibilities down onto municipalities and local charities.

Through this process of devolution, we will return to the same conditions that prompted us to create a social safety net in the first place. If local charities and churches could not have adequately met the social needs of an industrial society in the first half of this century, why does the government believe that these measures will work now as we head into the 21st century?

Honourable senators, it is easy — perhaps too easy — for the Minister of Finance to stand in the other place and talk about reducing programs and transfers. He may cut the deficit, but there is another cut that occurs as well. In human terms, the $7-billion reduction in the social envelope will cut the heart and soul out of hundreds of thousands of Canadians. These cuts will force more families to rely on soup kitchens, food banks, used clothing depots and emergency shelters to obtain the basic necessities of life.

Can the Minister of Finance tell us how it will build citizenship and pride in being a Canadian if adults and children are forced to line up at soup kitchens or food banks to receive their daily bread? These cuts also mean many children will be put at risk because child welfare services will be reduced and the already unacceptable rate of child poverty will increase. More people will be put at risk through family breakdown because family services will be reduced. Women will be put at risk, as the cuts will decrease the number of battered women's shelters and rape crisis centres. Senior citizens will be put at risk because the number of nursing home facilities and services will also be cut back.

Honourable senators, this is social mayhem and social terrorism. It certainly is not the kind of liberal, social responsibility we knew in the past.

For all Canadians concerned with equity, social justice, national standards and citizenship, a particularly troubling feature of the budget is the establishment of the Canada Social Transfer. This action lumps together health, post-secondary education and social welfare programs into one consolidated fund. This represents an unprecedented transfer of financial and administrative authority to the provinces, greater than anything proposed either in the Meech Lake Accord or in the Charlottetown Accord. This unprecedented transfer occurred without any national debate and without provincial consultation.

The full impact of this consolidation should not be under–estimated, as it will effectively eliminate the role of the federal government in social policy within a matter of a few years. Presently, the federal government is able to withhold cash transfers to the provinces if they do not follow established standards in the areas of health and social services. The fiscal lever to influence these two areas is the cash transfer given to the provinces.

• (1450)

However, honourable senators, under the Established Programs Financing Act, within a decade we are headed for a cashless transfer, whereby tax points to the provinces will replace cash transfers.

The fact that the Canada Assistance Plan will be brought under the same diminishing cash transfer formula will clearly have serious consequences for social welfare services, as it will for health and post-secondary education. Once the Canada Social Transfer tax points replace cash transfers, standards will be absolutely unenforceable, and this should concern us. Even the Prime Minister has admitted:

> ...when you transfer tax points, you lose all leverage... because you don't collect the money, they —

— meaning the provinces —

> — collect the money.

Why, then, should Canadians be concerned about losing the national dimension in social policy? Because only the federal government can be responsible for a more equitable distribution of income across this great land. Only the federal government can create national standards and uniformity in social policy across Canada. Federal programs contribute to a sense of national community in our country.

Some of us who are involved with higher education have already had a taste of what we can look forward to, as a couple of provincial governments have hijacked money under the existing EPF arrangements in the name of provincial deficit reduction. The example of post-secondary education demonstrates how the federal government will lose its ability to affect social policy once it relinquishes its fiscal levers.

Currently, the federal government has no means to establish or enforce national standards, such as portability in post-secondary education, and no levers to ensure that money transferred for higher education is actually spent on colleges and universities. I believe that this same situation will apply to health care and social services once the cash transfers are replaced by tax points.

Presently, provinces are required to provide a basic safety net. The Canada Social Transfer that is proposed will do away with this requirement, and we should be very cognizant of that. The provinces will be able to refuse assistance to certain selected groups, as well as divert their cash from their tax points into any area they wish. There will also be competition among the health, post-secondary education and social sectors for the diminishing pool of resources contained in the Canada Social Transfer.

As in any competition, honourable senators, there will be winners and there will be losers. There is no doubt that the big loser will probably be the social service area. A more powerful upper and middle class, who believe they have more at stake in health and higher education, will be more influential, I submit, than the more fragmented and resource-poor populations who rely on social welfare services — 40 per cent of whom, by the way, happen to be children.

Honourable senators, the budget does nothing to help unification. It is not a unifying document. It is, instead, divisive. There is no vision for Canada. The Liberal government seems more concerned with credit ratings than it is with the hopes, aspirations and needs of Canadians — a dramatic change from the liberalism of the past.

Just as the Spanish fishing trawler, the *Estai*, cut loose its fishing net in panic, so too did the Minister of Finance cut loose our social safety net in panic. The financial markets and the bean counters in the Department of Finance have now decided what our social programs should look like.

Although the budget has satisfied these groups in the short term, how long will that situation last when there are no new deficit targets beyond 1996 as a credible plan to balance the budget within a fixed period? Working out a plan with the provinces to eliminate federal and provincial debts in this country would have done much more for national unity than imposing unilateral cuts in transfer payments.

Apart from deficit reduction, again I say the budget has no overall sense of direction. The broken promises and the reneged responsibilities have caused many Canadians to ask: What does the Liberal Party of Canada stand for today? Even several prominent Liberal members in the other place have publicly stated that this budget abandons the principles of the Liberal Party, that it breaks its campaign promises, and that it is contrary to what they said for nine years in opposition and to what they did during 20 years in government. We used to know what the Liberal Party stood for and what its vision was for Canada. Frankly, honourable senators, we can no longer say that. I am sure my colleagues opposite have a hard time recognizing the party they led so well in the past.

It appears that the traditional Liberal principles of a strong central government, welfare capitalism and principled pragmatism have been replaced by counter-federalism, callousness and political expediency. By dismantling the federal government as an effective instrument of social and economic justice, the Liberal government has rejected a primary truth about human nature: that we are social beings. This elementary and universal fact is the basis for creating, developing and maintaining a decent society. People grow, develop, interact, work, socialize and achieve in association with others. People who lose contact with others become isolated and alienated, and experience various personal, emotional and social problems. Given this social nature of people, it is incumbent in a democracy to develop institutions, structures and philosophies that facilitate all individuals in realizing their inherent human potential, and help them to lead fulfilling lives, free of domination, control and exploitation by others.

The central value premise of such a society is that every individual is considered to be of equal intrinsic worth, and should therefore be entitled to equal civil, political and social rights, responsibilities and treatment. This is the kind of society, honourable senators —

**The Hon. the Speaker:** Senator Kinsella, I must advise you that your time is now up.

Is there unanimous consent that Senator Kinsella continue?

**Hon. Senators:** Agreed.

**Senator Kinsella:** Thank you, honourable senators. My timing was close, for I conclude with this last sentence:

Rather than striving in the direction of the vision which ought to be there, this budget goes in the opposite direction. It tears apart our social fabric and leaves too many Canadians to hang out to dry. It does not recognize the legitimate needs of people, and the legitimate role of government to help meet those needs. It denies the essentially social nature of the individual, and because of this denial, life will be much more nasty and brutish for many Canadians.

This is not the kind of society I want for Canada and, honourable senators, I know it is not the kind of society that you want for Canada, either.

**Hon. Landon Pearson:** Honourable senators, I rise to join in this budget debate and speak to the implications of that budget for Canada's children.

I have listened with interest as my honourable colleagues, including Senator Kinsella, have spoken on this subject. Although I cannot say I agree with him about the budget, I know that we have a shared concern for Canada's children. Among the senators who have spoken I would like to commend Senator Kirby, who provided such a clear analysis of how the budget reflects the federal government's clarification of its constitutional role. He stated:

> This budget reflects the principle that the fundamental role of government in the 1990s and into the next century should to be set the broad policy framework within which other parts of society operate.

• (1500)

Guided by this general principle, and with the contents of the Budget Implementation Act, 1995, Bill C-76, which received first reading in the other place last week, and the 1995-96 Estimates Part II, I would now like to examine how the budget will direct governmental plans to care for Canada's children.

Four specific aspects of government policy are relevant. These are referred to either in the budget with reference to the Red Book or in Bill C-76 and the Estimates. The first intention is to reduce child poverty; the second is the commitment to provide more child care spaces; the third is the new Canada Health and Social Transfer; the fourth is the Child Development Initiative of the Department of Health. I will speak to each of these in turn, indicating how they might interact to form a coherent strategy for the well-being of Canada's children.

The first intention was to reduce child poverty. Over the years, there has been a growing concern among legislators and members of the general public alike about the number of Canadian children living in conditions of poverty. There has been, I think, a common recognition that growing up poor puts children at serious risk for social, emotional, physical and intellectual disorders. The question is what to do about it. One answer is to provide families with money. The 1995 budget responds to this by leaving the child tax benefit intact. A second answer, which is also addressed in the budget, is through job creation and economic growth. The number of children living in poverty will be reduced when the deficit is decreased and the national debt is reduced and when the economy is improved — leading to an increase in the number of jobs available to poor parents.

The relationship of the state of the economy to child poverty is revealed in the statistics. In 1986, at the end of the last recession, 17 per cent of Canadian children were living in poverty. In 1989, in more prosperous times, the numbers went down to 14.5 per cent. In 1991, when the recession from which we are now emerging was deepening, the figure was 20 per cent. In response to the growing number of poor children in Canada at that time, and to honour the departure of NDP leader Ed Broadbent, an all-party motion was passed in the other place on November 25, 1989, calling for the elimination of child poverty by the year 2000. While I have never thought this was a realistic goal, I do know there are certain things the federal government can do with the tax system and income support programs that will improve the situation. I see no reason why we should not set a goal to reduce child poverty below 14 per cent in the coming years and engage in the careful planning necessary to reach that goal. At the same time, we should be rethinking how to mitigate the effects of poverty on those children who will remain below the poverty line.

This brings me to our second commitment, child care. The Red Book promised that a Liberal government, if it could obtain the agreement of the provinces and territories, would commit to expanding existing child care in Canada by 50,000 new quality child care spaces in each year that follows a 3 per cent growth in GDP, up to a total of 150,000 new spaces. Last year, there was indeed a 3 per cent growth, and the money has been allocated for new spaces. Since the funding is conditional on reaching cost-sharing agreements with the provinces and territories, discussions with them are now in progress. This commitment was reaffirmed by Prime Minister Jean Chrétien in the course of a program on Radio-Canada on March 6. More child care spaces will be available when the agreements are reached with the provinces.

How does child care relate to child poverty? We have learned from the experience of Sweden that female heads of households do not have the same appalling poverty rates as in Canada, partly because enough daycare spaces are available to enable Swedish women to upgrade their education, train for new jobs, and become employed. At the same time, their children are being enriched in the secure and stimulating atmosphere of Sweden's high-quality daycare centres. The Red Book promise, combined with provincial-territorial commitment, should lead to a slow improvement in the daycare situation and in a subsequent reduction in child poverty rates.

What about the quality of the new daycare spaces that will be created? After all, child care should not be judged only by its importance to single parents or struggling couples. More importantly, it should be judged by its benefits for the children who are cared for. The evidence is that good quality daycare has positive effects on child development. The operative word is "quality."

This brings us to the new Canada Health and Social Transfer. The new Canada Health and Social Transfer was introduced in the budget to replace the Canada Assistance Plan and bring contributions to health, social programs, and post-secondary education into one block payment that provinces and territories can allocate according to their own priorities.

I agree with Senator Kinsella that while there are real risks associated with this new plan, it does represent a clarification of the federal government's role, a government that sees itself moving out of programs and into standard setting, pilot projects, research, and information sharing.

Will this new direction help children? My own experience is that social programs for children are always best designed by those who are closest to them, because they best understand the special needs and circumstances of the child. Over the years I have been immensely impressed by community groups and individuals, including provincial-territorial "fonctionnaires", who have created programs all over the country in response to local conditions, programs that are so appropriate to children. In fact, some, especially in Quebec, are so good that they deserve to be better known and adapted across the nation. I do not have any serious difficulty with more flexibility going to the provinces, but I do care whether the federal government maintains its capacity to ensure, to the degree possible, that there are equitable outcomes for all Canadian children.

This, honourable senators, represents a tremendous challenge to legislators and "fonctionnaires" alike. Nevertheless, there already exists an effective instrument and a mechanism to do the job. That instrument is the UN Convention on the Rights of the Child which sets developmentally appropriate standards in health, education, social welfare, child protection, and juvenile

justice to which all jurisdictions can aspire. The mechanism is an outgrowth of the Department of Health's Child Development Initiative which was established as part of the federal government's response to the World Summit on Children. One of the components of this initiative is the community action program, a commitment of hundreds of millions of dollars over several years to establish community-based programs aimed at the healthy development of children from ages zero to six. Separate agreements have been signed with each of the provinces and territories to set criteria for the selection of suitable programs that correspond to the priorities of each province and territory.

This has resulted in the establishment of federal-provincial-territorial management committees, the federal government members coming from the regional offices of Health Canada. With this mechanism in place, the Liberal government was able to implement its Red Book promise of introducing programs aimed at the prevention of low birth weight babies and prenatal nutrition. The Child Development Initiative funding was not cut in this budget.

Yes, honourable senators, I recognize that, overall, there is less government money available for children. At the same time, I know that federal, provincial and territorial governments are carefully considering what they can either do separately or in cooperation with one another. For example, I see no reason why the federal, provincial, and territorial governments could not come together to set realistic child health goals for the year 2000 by building on the excellent profile published last year by the Canadian Institute of Child Health called "The Health of Canada's Children."

In June of this year, the federal government will appear before the UN Committee on the Rights of the Child to respond to the committee's questions about Canada's progress in implementing the UN Convention on the Rights of the Child since ratification in December, 1991. The committee will base its questions on an official report it received last June — a report which is a patchwork description of past programs in federal, provincial, and territorial jurisdictions. Unfortunately, this report is a backward look. It has no forward thrust. Now is the time to change that with the new government. Under the terms of the convention, Canada is required to report again in five years, in the year 2000. What we should now see, honourable senators, is a strategic plan developed with goals and objectives against which progress can be measured. We can then demonstrate to all Canadians that, in spite of our deficit, and perhaps because of our obligation to spend Canadians' money carefully, we are looking after the nation's future.

Over the centuries, honourable senators, families who have found themselves in dire circumstances have usually been ready to reorder their priorities so that they can invest in the future of their children. I should like to think that we as individuals and as governments at all levels are prepared to do the same.

On motion of Senator Berntson, debate adjourned.

• (1510)

## REVIEWING CANADA'S FOREIGN POLICY

### TWENTY-SECOND REPORT OF THE STANDING COMMITTEE ON INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION CONCERNING MOTION TO PRINT VOLUME I OF SPECIAL JOINT COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the Twenty-second Report of the Standing Committee on Internal Economy, Budgets and Administration (reprint of Foreign Affairs Report), presented in the Senate on March 30, 1995. —(*Honourable Senator Hastings*).

**Hon. Earl A. Hastings** moved the adoption of the report.

**Hon. C. William Doody:** Honourable senators, I glanced at this report when it was circulated here a few days ago. The amount of $7,500 for 500 copies of the report works out to $15 a copy. That seems to be quite expensive for such a report. I should like to adjourn the debate on this motion until I have had a chance to ask some further questions about the report.

I have no problem with having extra copies printed, but $15 per copy is way out of proportion for this type of report. I could be wrong, but I will adjourn the debate until I find out.

**Senator Hastings:** Honourable senators, my instructions were to reprint the report at the most reasonable price possible.

On motion of Senator Doody, debate adjourned.

[*Translation*]

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

### TWENTY-FIRST REPORT OF COMMITTEE ADOPTED

Leave having been given to proceed to Order No. 3, Reports of Committees:

On the Order:

> Resuming debate on the consideration of the twenty-first report of the Standing Committee on Internal Economy, Budgets and Administration (Senate Estimates for the fiscal year 1995-96), presented in the Senate on March 23, 1995.—(*Honourable Senator Simard*).

**Hon. Jean-Maurice Simard:** Honourable senators, consideration of this committee report was adjourned by yours truly. Given that I have already obtained the information I was requesting I do not expect to have any more to say on this report. I think, however, that the information I requested could, in due time, be released and made available to the public as well.

[*English*]

**Hon. Consiglio Di Nino:** Honourable senators, perhaps I might add a couple of further comments. As the chairman of the committee will know, this is not an easy committee with which to be involved because from time to time it calls upon us to make some rather difficult decisions.

First, I should like to thank our colleagues who continuously challenge us to ensure that the information we provide to the Senate is appropriate and full. From time to time we may not provide all of that information, but we welcome the opportunity to explain our position further.

However, I wish to put on the record that the further reduction in the Estimates for the 1995-96 year to approximately 4.2 per cent will be achieved largely by creating an early retirement program similar to the one that the House of Commons instituted, as well as some efficiencies which have been arrived at by all department heads.

I want to go on record, honourable senators, to thank the staff, through the leadership of the Clerk, who have worked diligently, at the request of the chairman and the committee, in looking for additional areas in which to do our share of reducing the costs of government. I should also like to inform you that these efforts are continuing, and I wish to applaud the Clerk and his staff for the job that they have done.

Motion agreed to and report adopted.

[*Translation*]

## SECURITY AND INTELLIGENCE

### POSSIBILITY OF ESTABLISHING SENATE COMMITTEE— DEBATE CONTINUED

On the order:

> Resuming the debate on the inquiry of the Honourable Senator Kelly, calling the attention of the Senate to the desirability of considering at this time the establishment of a Standing Committee on Security and Intelligence. —(*Honourable Senator Corbin*).

**Hon. Eymard G. Corbin:** Honourable Senators, on February 14, Senator William M. Kelly recommended the establishment of a Standing Committee on Security and Intelligence. Since then, a motion to set up an external and independent mechanism to monitor the operations of the Communications Security Establishment, which reports to National Defence, has been approved in the House. This mechanism would have a role similar to that of the Canadian Security Intelligence Service review committee. The initiative was taken by MP Derek Lee, with the support of Prime Minister Jean Chrétien. We will doubtless have to await the tabling of a future bill to see the structure of this mechanism and how effective it will really be.

This is not the first time we have recommended that parliamentarians get involved in matters of security intelligence. We will recall that the Keable and McDonald public inquiries into the activities of the Royal Canadian Mounted Police recommended a right of review for parliamentarians. In 1984, under the Trudeau government, Parliament adopted the Canadian Security Intelligence Service Act. A special Commons committee carried out a difficult examination of the Canadian Security Intelligence Service and its activities in its first five years of operation, as provided by the constituent act. The House of Commons currently has a Subcommittee on National Security, under the Standing Committee on Justice and Legal Affairs.

The idea that this kind of agency should be subject to a parliamentary review is not new. Former Prime Minister Pierre Elliott Trudeau said 15 years ago, and I quote:

> ... that, in principle...

...the Royal Canadian Mounted Police should not be obligated to report on its operations or methods on a political level. I remind you that the Canadian Security Intelligence Service was then under the jurisdiction of the RCMP. This opinion was perhaps justified at the time, but seems untenable today. The support for the motion introduced by Derek Lee seems to demonstrate the point.

Also, committees or mechanisms controlling or providing for the parliamentary scrutiny of security intelligence agencies exist in Australia and New Zealand as well as in Great Britain and the United States. We also know that other jurisdictions are considering giving themselves similar powers. The American Congress even published a brochure on this subject in October 1994, as much in reply to information requests from many foreign parliaments as to satisfy the legitimate curiosity of the American public.

We must also take into account the rising interest of the Canadian public regarding this kind of issue. Consider the number of publications available on the activities of the Canadian intelligence service, not to mention the increasingly analytical articles on the issue.

A basic question begs to be asked. Why not give Parliament the right to undertake this scrutiny? The answer is obvious. For the first time ever, the Solicitor General released to the public this year — last week to be precise — figures on the staff and the budget of the Canadian Security Intelligence Service.

• (1520)

Even though, theoretically, it is already within the purview of parliamentarians to enquire about the activities of security intelligence agencies of all kinds, in practice it is a most frustrating exercise because of the officials' reluctance to answer parliamentarians' questions directly and openly — when they agree to answer at all. Other security intelligence agencies are only accountable to ministers through an internal audit system within the departments, where officials report to other officials. The process resembles an air bubble trapped under a thick layer of ice, and the spring thaw is slow in coming.

Security intelligence agencies spend a considerable amount of public funds without being subject to a credible form of parliamentary scrutiny. Accountability normally comes with being a publicly funded agency. Why are these agencies not subject to parliamentary scrutiny as is the case for all other government agencies? If they do not have to report to anybody, to whom are they accountable?

To the government of the day or to themselves? Is it enough? I doubt it. Moreover, I think that an external monitoring mechanism cannot replace parliamentarians in their exclusive role and prerogatives.

Another reason in favour of parliamentary involvement is the protection of the rights and freedoms of Canadians that are guaranteed under the Charter. The United States and Canada both have a bill of rights or a charter of freedoms which protect citizens against any abuse of power.

It is imperative that security intelligence agencies be accountable in a democratic system. Otherwise, despite what the proponents of the status quo might say, there will always be the possibility of an increasingly covert control over Canadians, institutions, individual liberties and even Parliament, not to mention unjustifiable subversive activities. With new technologies, the possibilities of prying into the private lives of Canadians without just cause are endless.

Although it is true that the work of an intelligence agency is confidential, it is totally unacceptable to use confidentiality as an excuse to cover possible "mistakes." Accountability is a way to prevent this kind of problem. I come back to what Senator Kelly was saying:

[*English*]

> It is a question of credibility, of the right of all Canadians to have confidence in their institutions, particularly those institutions designed to protect their civil rights.

[*Translation*]

Finally, it is important to remember that the Canadian Security Intelligence Service is not the only agency dealing with security matters. There is also the Communications Security Establishment, the National Security Investigations Directorate of the RCMP, and several branches in many departments whose former names I will use like National Defence, Transport, Customs and Excise, Employment and Immigration and even the Department of Agriculture. How can we be sure that those agencies do not overstep their mandate when they are simply accountable to a minister of the Crown whose interest is, and understandably so, to minimize any incident?

The basic question is whether a Commons committee can adequately oversee the operations of intelligence services. We can have doubts about that for several reasons, at the risk of irritating members who remind people of their elected status when they disagree with the Senate.

Let the facts speak for themselves. It is a well-known fact that committees of this House are always pressed by too little time, a high turnover among members, too much work, elections with whatever they entail, and cycles unendingly repeating themselves. Hence, all the agencies that object to accountability towards the elected representatives have lots of leeway. I know what I am talking about since I was a member of the House for 16 years and some days.

There were, in the past, cases of reluctant, hesitant, tense and frustrating collaboration on the part of the security intelligence agencies, and, still today, they consent to minimal cooperation with Parliament.

For example, during the five-year review of the Canadian Security Intelligence Service in 1989, they refused straight out to give some essential documents to the members of the House. Some witnesses showed an evident lack of good will the Inspector General of the Canadian Security Intelligence Service refused to answer some questions. That would be funny if it were not so intolerably arrogant. The decision of the committee to hold public hearings, for the sake of transparency, could explain, if only in part, such reluctance. But there is more to it than that. I will quote George Rideout, then a member of the committee:

> When members of the Committee tried to examine the performance of that intelligence service, the first thing they were told... (by the director)... was they did not have sufficient security clearance so they could not get information on any of the events. To push things along, the president and the members had to be very resolute about obtaining what they wanted [...] this case is representative of this type of exceptional will we encounter once in a while.

What was the result of this exercise which required considerable work on the part of the members and other stakeholders? Mr. Rideout says:

> The Committee made 117 recommendations. The government acted upon two and one half of them.

A question comes to mind: What brought the government to reject the other 114.5 recommendations? Was the members' work intentionally scuttled?

Would accountability limit the effectiveness of security and intelligence services? That is the objection that is always raised. This would be true if we had to conduct all our work publicly. Yet, for the work that has been done, there was no leakage on the part of parliamentarians.

It is recognized that a monitoring parliamentary committee must never compromise the justifiable work of our security and intelligence services. In the spirit of cooperation and joint responsibility, these organizations must continue to help us respond to the great challenges facing Canada in the last years of this century. I am thinking about public and national security, as well as economic, technological and industrial spying, to name just a few. Yet, these services would benefit from having more confidence in the parliamentarians who, after all, are responsible to their constituents.

Would a Senate committee not be in a better position to undertake this type of work? You will argue that it would duplicate the work of the external review committee of the Canadian Security Intelligence Service. I will respond to you that we must guarantee that rights are respected and demand from these services some evidence that they are effectively responsible for their actions. The Senate can very well make up for constraints facing members of Parliament, provided that we put in place a credible agreement that would not interfere with the legitimate undertakings of the organizations.

In the United States, there are four congressional committees dealing with these issues, besides presidential controls done through executive orders — since 1976. The current Order 12333 delineates the national effort in the intelligence sector, outlines the roles of each service and subjects them to a code of ethical practices. The procedures are quite strict. For instance, an intelligence agent must ask permission in writing to undertake some specific activities. The approval must be signed by the person giving it.

It follows that each reporting level is accountable and that a responsible officer can easily be summoned by a Congress committee. I believe it is possible to maintain mutual respect and confidence between security intelligence services and Parliament, as our neighbours to the south have shown.

Honourables senators, my time is up, but with your permission I would still need approximately three more minutes to conclude my speech.

**The Hon. the Speaker:** Is that agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Corbin:** Thank you, honourable senators.

A Senate committee would appear to be the appropriate tool to keep an eye on security intelligence activities. Parliamentarians will not turn a blind eye to practices that could threaten the rights of Canadians as expressed in the Constitution, the Charter of Rights or other legislation. It is easier to prevent, and a Parliament committee is much less costly than a royal commission of inquiry in case of a scandal.

The Senate is able, by its very nature, to ensure the continuity necessary to a long-term study of such issues. Indeed, it can and it must stay above partisan quarrels. We could encourage a responsible participation of the public, but most important, as Senator Kelly said, we could help Canadians understand the role and importance of security intelligence services in our society.

Senator Kelly suggested that a Senate committee should have a very extensive mandate and I agree with him. I believe however that we should do some initial work before establishing a committee responsible for the surveillance of security intelligence agencies. First, a special committee would have to develop a realistic protocol for cooperation between the government, external surveillance committees and security intelligence agencies in order to determine the mandate of the committee. In short, it would be necessary to clear the ground to make sure that all actors know the rules of procedure before the establishment of a standing committee. It is preferable to start on a solid basis. It would be better for Parliament, the government, society, security intelligence agencies and democracy.

• (1530)

[*English*]

On motion of Senator Berntson, on behalf of Senator Kelly, debate adjourned.

## MEXICO

PRESENT STATE OF AFFAIRS—DEBATE ADJOURNED

**Hon. Peter Stollery** rose pursuant to notice of March 21, 1995:

> That he will call the attention of the Senate to the situation in Mexico.

He said: Honourable senators, I rise to say a few words about the serious situation in Mexico. The gravity of the situation is not understood in Canada. I believe we must extricate ourselves from NAFTA, or face grave economic consequences.

I will read a few recent headlines from the *Financial Times*, the *Wall Street Journal*, and *The Economist*: "Mexican peso falls to new low against dollar." "Mexican peso hits new low." "Mexican peso tumbles on policy delay." "Peso weakness threatens targets." "Peso plunge hits ScotiaBank." "Mexico's Central Bank might raise interest rates even more to help peso." "The Mexican syndrome and how to steer clear of it." "What goes down may not come up."

The last two headlines are from *The Economist* magazine of London, which was such a promoter of the Mexican scheme that both the foreign editor and the chief statistician wrote me private letters when I protested to them, before the scheme, that the scheme would go wrong. What do they say now? "What goes down may not come up."

The promoters of the FTA understood the United States, at least inasmuch as the United States is an Atlantic country, a European country. When I lived in the African colonies as a youth, I understood myself to be a European coming from the other side of the Atlantic, as a Canadian. Those European values, inherited from time gone by, are values which we share with some Americans. The fisheries dispute and our popular support in Britain, and possibly some other countries which are now prepared to threaten the European Commission on our behalf, perhaps reawakens our awareness of those Atlantic roots. Canadians overwhelmingly supported Britain in the Falklands War, and the shock when the *Sheffield* was sunk was palpable.

The Monroe Doctrine is one principle we have never shared with the Americans, and I do not think we share it today. The concept of "Manifest Destiny" is another principle which we do not share. Because the Americans could not apply the Monroe Doctrine to Canada, we suffered "Manifest Destiny" less than countries to their south.

Mexico, though, has been on the receiving end of that different face of the United States — not the benign north and northeast, whose people are similar to us, but the violent, expansionist south and southwest, the slave states and the lawless frontier. Texas, Arizona, New Mexico, Nevada and California were all taken from Mexico by force of arms.

I will not take the time of the Senate to tell the history of 19th century Mexico, though it seems be something of which Canada and other promoters of NAFTA were woefully unaware. What concerns us here is the 20th century. Canada has become financially embroiled in events which have their genesis in the Madero revolution of 1910-11. The first stage of that Mexican revolution only ended in the taking of power of General Alvaro Obregón in 1920. That was the beginning of the awful internal politics of Mexico which are the major cause of today's financial crisis.

It is somewhat astonishing to read statements by such as Luis A. Viada, a managing director of the Standard & Poor's rating group, who should know better. He said that he was at a loss to explain why markets have not responded more favourably to President Ernesto Zedillo's plan, which he described to

*The Washington Post* as "one of the most Draconian adjustment plans we have seen. It had all the necessary elements to reassure the market that whatever measures necessary would be taken." That is because Mr. Viada does not understand that internal Mexican politics drives the crisis, and they do not care about him, Standard & Poor's, the World Bank, the IMF, or the value of the United States dollar, or world interest rates, or anybody or anything else. Internal Mexican politics murdered the incoming president, Mr. Colosio, because they did not like him.

I touched on the lutulent politics of Mexico in a speech I made to the Senate in 1993. At the time, I thought NAFTA would destabilize the dark forces of that country. I should like to give honourable senators a little more information about what I then described "as a secretive closed group of men and women who have enriched themselves successfully out of the society as a whole."

• (1540)

Madero, Huerta, Carranza, Zapata, Pancho Villa, Obregón — famous names. With the exception of Huerta, who died of alcoholism, they were all murdered. The killing of Madero by Huerta is what adds particular venom to U.S.-Mexican history.

There is little doubt that U.S. ambassador Henry Lane Wilson actively encouraged the murder of Madero in 1913 by Huerta, the most despised figure of those terrible days.

Allow me to refer to a book entitled, *The Secret War in Mexico, Europe, the United States and the Mexican Revolution*, which I read a few years ago. It is a well–known book and was awarded the Bolton Prize for the best book on Latin America studies.

It states:

> According to Ernesto Fernandez y Arteaga, one of the few Mexican officials who ever spoke to Francisco Cardenas, Madero's executioner, both questions can be answered affirmatively.

The question that interests us is the dispute over whether the murderers acted on orders from Huerta and whether Henry Lane Wilson was in any way involved or at least shared some responsibility for the murders.

When knowledgeable people talk about bad blood between Mexicans and gringos, that is what they are talking about. History increases the fury when the gringos demand collateral from Mexico before the agreement to loan Mexico $53 billion, which, to their even greater fury, goes mostly to U.S. financial institutions. I will provide more about that in a minute.

The PRI, the governing party of Mexico, was the solution to the revolution which became a civil war. Some 1 million people died out of a population of about 8 million. The system invented by Obregón and perfected by Plutarco Calles is actually modeled on Mussolini's corporative system which people have forgotten was widely acclaimed in the 1920s. As Gerald Brennan, the celebrated Bloomsbury figure, author of *The Spanish Labyrinth*, that classic study of Spanish politics the 1920s, observed, "fascism is the response by the middle classes to disorder."

The Mexican version involved buying off or shooting off so-called generals and giving them a stake in the action so that they could participate in robbing the state. Sometimes they bought them off and then shot them, as in the case of Pancho Villa who was murdered in 1923.

The organization developed. Sectors were doled out to this general and to that general. The generals could not actually administer, and gradually as they died off the administrators became the organization. Many people say that Mexico became the world's only dictatorship of bureaucrats outside the communist system. It is an old story in the accursed history of the Western Hemisphere. Canada is actually the only country in this entire hemisphere that has normal politics.

At any rate, there is a poor country where a group takes over. It usually calls itself the army. I always call it the Peasant Disposal Unit. Repression is the usual function rather than professional soldiering. In recent history, these PDUs have become professional business enterprises. It must be understood that only in the loosest sense is the PRI a political party. It is a successful business enterprise. It has made Mexico the only existing corporate state that I know of.

What does that mean? It means that in Mexico there is no independent judiciary. There is no free collective bargaining. The independent press is minuscule and self-censoring. Police maintain the system — and many people believe that the Mexican police are out of control. There is increasing evidence of "Colombianization", that drug dealers have great influence. The Board of Trade told me last June that in the previous 12 months between 1300 and 1350 business people have been kidnapped for ransom.

Last June, I visited Mexico with the Carter Centre as one of two political analysts. One of the things that stood out was on a Saturday, after most of the delegation had left, I spent the day at a meeting of the so called "political parties" who were setting ground rules for the upcoming election. The meeting was chaired by the Minister of the Interior, who was in charge of the secret police. What made my Saturday especially interesting was that I immediately realized that I was at a meeting of the interests — $2,000 suits galore, "Smooth City." This was not about an election; it was about money — big money. I remind senators that the average annual income in Mexico today is about $1700 U.S.

Let me give you some examples to explain what I mean when I say interests and money. Mexicans do not read newspapers. Yet, Mexico City has more than 30 newspapers, with a total circulation of less than 1 million. Mexico City has a population of 20 million people. The reason people do not read newspapers is that they know most of them are fakes. Interested parties start a paper. The PRI directs businesses that it owns to advertise. News stands have piles of newspapers with three inch headlines and almost no news. However, they are filled with ads. *La Jornada*, the only independent newspaper, had no advertising for its first year of publication.

I have in my hand a copy of *Processo*, the only independent magazine. The picture on the cover is the widow Colosio protesting about the lack of investigation of her husband's

murder. It has very little advertising. As senators can see, it is all just type and exists on the money that you pay to buy the magazine, plus support from private interests. It states on the cover of the magazine that the widow Colosio is pursuing the case. By the way, the widow Colosio is now dead. Because they do not read the newspapers, some 90 per cent of Mexicans get theirs news from television. Of course, that is controlled by other PRI interests, the famous Telemedia.

After Obregón was murdered back in 1928, Calles came up with the secret of the PRI's success — the succession. Obregón was shot at a dinner party by a Catholic cartoonist after he was elected for a second term. The deal, until now, has been that you get one term. It is for six years and you have those six years to enrich yourself. Four years was not enough. You pick your successor and you leave politics and do not come back.

To enrich themselves, Mexican presidents are nearly always associated with a project, often a resort. Honourable senators will know Acapulco. That was Miguel Alemán's. When I first visited Yucatán 30 years ago, Cancún was a desert. That was before Miguel Echeverría. Honourable senators will remember him. He spoke to a joint session of Parliament some years ago. Because he presented himself as some kind of socialist and pushed the correct buttons, the New Democratic Party cheered him as a great fellow.

If you thought that you might learn about these things by hanging around the Mexican embassy, you could forget it. Every Mexican employee in every embassy in the world must be a member of the PRI. One is tempted to say, "of the mob" — and that includes everyone from the driver to the ambassador.

• (1550)

The arts are not excluded. *El Espectador*, the respected Colombian newspaper, has reported that Octavio Paz, world-famous poet, essayist and polemicist, has been paid $4,000 U.S. a month for years to promote the regime.

This is the political system driving a loan of $53 billion U.S. — driving what Michel Camdessus of the International Monetary Fund has called "the first crisis of the 21st century." When one looks at actions of the international financial genius community until a few months ago, the situation becomes very unsettling. Bank presidents, fund managers, and investors of all sorts rushed in to bet on this political system of the mob. They bought Mexican treasury bonds indexed to the U.S. dollar. The bonds originally paid a 3 to 4 per cent premium and went to 7 per cent to 8 per cent when things started to collapse. Any normal person would say, "Look, why are you paying me all this money? What great thing did I do? Or is this another Mexican scheme like the silver mines my father told me about?" Imagine so-called respectable financial institutions being caught up in a pyramid scheme so that the promoters of NAFTA could plump up the Mexican peso.

Worse, the scheme was sanctioned by government outside Mexico and by those international institutions, the IMF and the World Bank, that some think will protect us against ill-effects from globalization. If private citizens were caught doing this sort of thing, they would be called swindlers.

[ Senator Stollery ]

**The Hon. the Speaker:** Honourable senators, I regret to inform the honourable senator that his time has expired. Is it your pleasure to give the honourable senator leave to continue?

**Hon. Senators:** Agreed.

**Senator Stollery:** Honourable senators, the more one looks at this, the more I believe that the World Bank and the IMF and other international institutions are going to see the Grim Reaper when it is all over, as people other than myself ask questions about the way they supported this nonsense. Bonds in the amount of $17 billion are coming due in coming weeks, and then $18.5 billion. The sums are so large. Of course, people do not want to talk about it, and it is very difficult to get information. I did speak to someone in South America this morning who told me that the papers there were all saying today, "Where is the next $20 billion?" Apparently some bonds have come due, and the money is not forthcoming to cover them.

Bank presidents really are rubes. They go and meet a fellow who talks like they do. They have a few drinks and become enthusiasts. Pyramid schemes only work so long as no one asks for their money. Eventually, as in this case, they fall apart. Maybe it was the Zapitistas, maybe the killings, maybe the arithmetic. People did take their money and their interest and walked when their bonds came due. The peso went from 3.45 to about 5.5 when the Clinton administration strong-armed the international community to cough up a $53 billion aid package to which the U.S. would contribute, in all, $28 billion. Remember, this was not to bail out the Mexican mob but to pay off foreigners who gambled on Mexican bonds.

It does seem unfair to the disadvantaged in Canada that we are taking money from them and giving it to financial speculators who lost, but there is always a silver lining. Any senators who have Russian imperials or South American railway bonds hidden away in the family bible can keep the faith. If Canada has $1 billion to pay off Canadian banks and buy their worthless paper, can you be far behind?

The problem with the $53 billion bailout is that it has not worked. It has undoubtedly contributed to the decline of the U.S. dollar. It is said that they are having trouble coming up with their $28 billion. I do not know about that, but it does seem to me that the weakening U.S. dollar ensures high interest rates. Much of their $200 billion deficit is financed abroad, and they cannot pay holders of their debt in devalued currency for long. Given that 81 per cent of our trade is now dependent on the United States and the increasing economic linkages, I do not see how we can avoid continuing high interest rates. The Bundesbank has unexpectedly lowered its rate, probably to ease pressure on the dollar, but if the Mexican crisis continues, the dollar will surely be affected.

It is interesting to note that the Mexican peso closed last Friday at about seven to the dollar. Does that mean that the bailout of the bond holders that cost $53 billion at 5.5 pesos to the dollar now costs a peso and a half more on the dollar? Senators may want to reflect on the implications.

Let me briefly go back to the politics driving this situation. There are three parties in Mexico: the PRI, the PAN, and the PRD. The PAN is made up of people who were formerly on the right wing of the PRI, and the PRD is made up of people formerly on the left wing of the PRI. They are parties of

"faller-outers" rather than followers. The PAN appears to be used as a stalking horse for the PRI, and so they are allowed to win state elections.

The PRD is led by a very clever senator named Porfirio Muñoz Ledo. He was formerly president of the PRI and then ambassador of Mexico at the UN. There was a sticky business in New York. Someone parked in the parking spot of Muñoz Ledo at the UN garage. He pulled out his pistol and shot out the car windows. He was recalled and is now the brains behind the PRD. He is an attractive personality and, as a former president of the PRI, he must know where the bodies lie. I should think that Porfirio Muñoz Ledo must be very careful of his personal security.

Honourable senators, in order to believe that Mexico will recover in the short term, you must believe that the interests will concede and give up their privileges. They will put aside their pistols, their hired gunmen, and their monopolies. I do not believe they will. They have been destabilized by NAFTA. The murders are those interests fighting back. Forget about all the phoney arrests and confused accusations. Do not believe a word of it. We are only being told what is in someone's interest to tell us. Mexico has one of the most secret power structures in the world today.

In my opinion, Mexico is on the verge of an explosion. There is the strong possibility of a civil war. NAFTA is dead, and we should get ourselves clear of the debris. This past week, two months after the aid-to-gamblers announcement, interest rates in Mexico approached 100 per cent. *The Wall Street Journal* quoted Labour Secretary Santiago Onate that the crisis will eliminate at least 1 million of the country's 26 million jobs, or roughly four times his previous estimate. The labour secretary is not telling the whole story, but I will not take the time of the Senate on that. How long can the interests intimidate a population of 90 million people? Serious rumours have it that the army nearly overthrew the current dictator a few weeks ago.

Honourable senators, NAFTA is dead. Get out while we can and do not pay anyone that $1 billion.

On motion of Senator Berntson, debate adjourned.

## GENERAL AGREEMENT ON TARIFFS AND TRADE

### INTELLECTUAL PROPERTY RIGHTS AND THIRD WORLD AGRICULTURAL DEVELOPMENT—INQUIRY—DEBATE ADJOURNED

**Hon. Mira Spivak** rose pursuant to notice of March 28, 1995:

> That she will call the attention of the Senate to the document she tabled on Tuesday, March 28, 1995, on the subject of GATT, Intellectual Property Rights and Third World Agricultural Development.

She said: Honourable senators, I must admit that I became so fascinated with Senator Stollery's remarks that I have almost forgotten what I had to say. I would hope, Senator Stollery, that your intervention is not a one-shot effort. Maybe we can persuade you to do a serial. I can tell you that my pulse is racing.

Honourable senators, it is my pleasure to draw the attention of the Senate to a research paper I commissioned through the research allocation granted by the Senate.

• (1600)

Its subject matter, the GATT, Intellectual Property Rights and Third World Agricultural Development, will be of interest to many in this chamber — from those who have been engaged, as I have, in committee work examining the future of agriculture in our own country, to those who keep watch on Canada's commitment to foreign aid, and those who have concerns about the impact of the trade agreements and the ramifications of the United Nations Convention on Biological Diversity that Canada has signed and ratified.

I wish to express my thanks to Jonathan Silden, an exceptional young man whose education in environmental studies in Canada is combined with research and practical experience with non-governmental organizations in Latin America. His independent research and hands-on experience gave him insight and perspective that can benefit Canadians who want to know the real costs and the real benefits of the new world order of trade, agri-business and biotechnology.

Senators will recall the debate in this chamber five years ago when we had before us Bill C-15, the Plant Breeders' Rights Bill. At the time, witnesses appearing before the Senate and House of Commons committees voiced concern about the inherent unfairness of systems to reward plant breeders in industrialized countries, while no system existed to recognize or reward innovations and improvements made by Third World farmers. Some also raised concerns about the ethical, moral, economic and social costs of patenting forms of life. These concerns have not gone away with the coming into force of the last round of the GATT. They have intensified.

These concerns have not diminished with the ratification of the UN Convention on Biodiversity — the convention the previous government courageously supported at the 1992 Earth Summit in Rio and has been continued in government, despite the then opposition by the Bush administration. Canada was the first industrialized nation to declare its intent to sign the convention after the U.S. administration of the day refused to be party to it. That action opened the doors for others to follow.

The convention, now signed by 168 nations, including the U.S., and ratified by 114 of them, acknowledges the right of states to determine access to genetic resources. It also calls on industrialized nations to provide funds to developing countries to help them benefit from biotechnologies based on genetic resources they provide.

In mid-May, it is expected that the government will release its national biodiversity strategy. In it will be a commitment to international cooperation and a search for ways to ensure that agricultural communities and indigenous communities in developing nations receive an equitable share of the benefits that flow when others benefit from with the genetic resources they have nurtured and developed.

As the research paper makes clear, however, if Canada and other signatories to the convention are to honour their pledge, they face several daunting obstacles, not the least of which are raised by GATT. I will touch upon them and commend the full paper to those most interested in these issues.

The first point to be made is that GATT requires nations to liberalize trade. Who will be the winners and who will be the losers as export subsidies are reduced by 21 per cent and non-tariff barriers, turned into tariffs, fall further? This had been the subject of much speculation prior to GATT coming into force in January. The Organization for Economic Cooperation and Development, for example, has predicted that by the year 2002 world prices for wheat, beef, dairy products and sugar will rise while prices for coffee, cocoa and rice will fall. The economies of nations that produce and export, or must import, these staples will rise or fall accordingly.

By OECD predictions, most industrial nations will win. Canada will remain stable, more or less, and real income will only fall by a minuscule amount. The fall in real income expected in Mexico or in the poorest of the poor nations of North Africa, however, will be considerably more. It is the underdeveloped nations that must import food that will suffer. There are 104 of them, according to a report published last year.

The opening of markets and the lowering of subsidies may increase Third World agricultural exports. However, even in those countries that export more agricultural product, Third World farmers will not benefit, nor will Third World agriculture gain productivity unless the price rise is passed on to producers. That is an old story. Wherever it is, it is likely that benefits will accrue only to rich farmers. It is not the poor farmer but the wealthy landowner who will import technology to take advantage of more liberalized trade. Poor farmers, left relatively poorer, will be forced from their land.

From a Canadian perspective, our development assistance policy is retarded by GATT, which will contribute to the worsening maldistribution of wealth in the Third World. The reduction in Canada's international assistance envelope announced in the recent budget could scarcely come at a worse time. At the very time that the poorest of nations will require more assistance, the budget of CIDA, whose main purpose is to support sustainable development in developing countries, will be slashed by 20 per cent.

There are other serious ramifications of placing poor farmers at a disadvantage while reducing foreign aid. It is aid agencies that help keep small producers on the land growing coffee and cocoa in many countries. These small farm owners, who farm steep slopes or tropical soils, are discouraged from growing annual crops that lead to soil erosion and declining fertility. Fail to assist them, and industrialized nations encourage worse alternatives: environmental degradation and a shift to the much higher-priced, illegal crops of opium poppies, marijuana and cocoa for the drug trade. Internationally, we reap what we sow.

On the other important issue raised by GATT, the requirement to enact intellectual property protection for new plant varieties, it is clear that the interests of multinationals, not the Third World, are being served. Developing countries have from four to 20 years to enact laws, but protection is extended only to new varieties. Varieties historically developed by traditional farmers will not be eligible. There is no recognition that most food crops grown today have their origins in Third World nations. It was only through the export of the Third World genetic resources that new, successful varieties have been bred elsewhere in past decades. Now that seeds are valuable, the rules have changed. Where is the spirit of equitable sharing that the Biodiversity Convention advocates?

Statistics on gene banks show clearly just how unfair is the new system. Gene banks in industrialized nations hold 68 per cent of all known plant species germplasm. Developing nations in Africa, Asia and Latin America have been donors to these 127 gene banks, donating more than 90 per cent of collections. Industrialized nations are the recipients, drawing germplasm freely distributed from the banks. But in the brave new world of biotechnology and intellectual property, traditional varieties that have helped to feed us all have no protection, while commercial varieties derived from them are patented and protected by trade policies in favour of the industrialized world. From the developing nation's perspective, the bird has flown the coop. What advantage is there in closing the door?

Third World farmers will continue to develop new plants, but they will be denied protection. Private seed companies in developing nations will gain protection, but experience has shown that they are concerned with adapting imported seeds to local conditions. Proponents of plant breeders' rights say that foreign varieties will not dominate Third World markets because of environmental specificity. Experience suggests otherwise. Mexico introduced a plant breeders'rights law. Now Mexico imports 90 per cent of all its vegetable seeds. Once it had the capacity to produce local strawberry varieties, now virtually all production is based on foreign varieties.

Looking into the future, there are legitimate concerns of biodiversity loss, genetic erosion and species extension as fewer plants are grown. There is also concern that farms in the Third World countries will become franchise operations and farmers who have very small holdings will be driven from their land.

What is the solution? There are growing calls for a UN fund to support genetic resource preservation, use and ownership in the Third World and training of researchers. Small seed improvement centres in rural areas, with farmers' cooperation, could help preserve unique varieties and defend traditional varieties of communities through national registries. Ethiopia's Seeds of Survival program, which involves farmers and agronomists in preserving and redistributing traditional seeds, can serve as a model to other nations.

Canadians not only have an interest in assuring that our trade policy does not severely undermine our aid policy — we also have an international pledge to preserve. I hope that all members of Parliament will keep this in mind — that is, that we have shown world leadership in the matter of preservation of biodiversity and that we have earned a reputation for fairness and compassion in matters of aid and international affairs. These are issues that might well be raised when Canada's environment minister hosts a meeting of environment ministers of G-7 countries in late April, a prelude to the mid-June summit in Halifax. On the Halifax agenda is a communiqué that commits the G-7 to revisit the biodiversity convention. Questions might also be raised in mid-May on the release of Canada's biodiversity strategy.

The insight and analysis in the research paper which I tabled the other day will be helpful to all of us who, after the government's failure to meet the climate change convention, do not want to see yet another of Canada's international pledges ring hollow.

On motion of Senator Berntson, debate adjourned.

## VISITORS IN GALLERY

**The Hon. the Speaker:** Honourable senators, before I proceed to call the next order, I draw your attention to the presence in the gallery to a group of young people. They are members of the national 4-H citizenship seminar, and they are here in Ottawa to attend a conference the theme of which is Youth Can Make a Difference. We welcome you to the Senate.

**Hon. Senators:** Hear, hear!

• (1610)

## TRANSPORT AND COMMUNICATIONS

### MOTION TO AUTHORIZE COMMITTEE TO STUDY TELECOMMUNICATIONS—DEBATE ADJOURNED

**Hon. Donald H. Oliver,** pursuant to notice of Thursday, March 30, 1995, moved:

> That the Standing Senate Committee on Transport and Communications be authorized to examine and report upon Canada's international competitive position in telecommunications including the following: a review of the economic, social, cultural and political importance of the telecommunications sector for Canada; the impact of current developments in telecommunications on Canadian heritage and broadcasting and specifically on the role of the CBC; a review of issues relating to foreign investment in Canadian telecommunications; a comparison of regulatory frameworks in Canada and in other countries; and a review of the research and development necessary to enhance Canada's competitive position in telecommunications; and
>
> That the Committee present its report no later than December 15, 1995.

He said: Honourable senators, I rise today to speak to the motion of which I gave notice last week to establish an order of reference from the Senate of Canada for the Standing Senate Committee on Transport and Communications. The purpose of this study relates to the information highway and to industry convergence.

At the outset, I want to make it clear that the Senate committee is not trying to reinvent the wheel. This is not a make-work project. We are not trying to study something that some other agency or group has already studied.

It is not the intention of your committee to duplicate the work of the advisory committee on Canada's Information Highway, the CRTC's current inquiry into the convergence of cable television and telephone networks, or the House of Commons Standing Committee on Canadian Heritage study of the mandate and funding of the CBC.

Rather, it is the intention of your committee to investigate facts and issues not adequately explored by these federal agencies, to complement their efforts, and bring forth more pertinent information and a diversity of views and perspectives to this matter of great concern to all of us.

Honourable senators, in the Standing Senate Committee on Transport and Communications, we polled all members of the committee to determine what areas of special studies they would like to engage. The drafting of the order of reference you have before you today is a direct result of that questionnaire and of the grass roots approach to the democratic process that is being used by this committee.

What is happening in the marketplace and what new developments are taking place in the telecommunications industry in Canada?

As many of you are well aware, the telecommunications industry in Canada and elsewhere in the world is undergoing a rapid transformation in the technologies it employs. No longer does it rely on communications by wire. Innovations within the industry have brought forth fibre-optic cable networks which carry information on a pulse of light, as well as wireless cellular and satellite systems which make use of the electromagnetic spectrum. These innovations have expanded the carrying capacity of telephone and cable television lines immeasurably. They can now incorporate interactive two-way voice, video, data, and graphics information forms. The new telecom products and services derived from these changes in communications include: video on demand, entertainment products, video conference services, and high-capacity data retrieval and processing services. They present Canadians and their businesses with many new commercial opportunities as well as a plethora of new ways of organizing and conducting their daily and business lives. Indeed, we are in the midst of an information revolution, and this revolution is forcing Canadians to rethink and redefine their business, social and institutional environment.

For example, these sophisticated telecommunications networks are integral to the efficient and timely movement of information in the modern business world. These networks enable people to take advantage of just-in-time inventory, electronic data interchange, airline computer reservation and electronic banking systems. All of these systems contribute to greater corporate and business efficiency through reduced inventory, overhead, market and distribution costs, shortened product development cycles, increased managerial scope and decentralized business operations which can lead to greater and faster responsiveness to consumer needs.

Therefore, it goes without staying that these new telecom products and services also present Canadian business with a serious challenge in adapting to the new knowledge-based society. This "information revolution" is indeed a double-edged sword. Success in meeting this challenge means the creation of new businesses and high-skilled, high-paying jobs that will bring prosperity to the country. Failure means lost opportunities and squandered resources. For Canada, this latter outcome would be unfortunate given the availability of shrewd entrepreneurship, highly-honed management, and the well-educated labour force of the nation.

I must further stress that the challenge facing Canada is not imposed only on individuals and their businesses, but also on the

federal government. As the exclusive responsibility for providing public policy over telecommunications in Canada is federal, it is incumbent upon the House of Commons and the Senate to provide legislation and policy appropriate to the social, cultural, political and economic setting of the day. Policy designed to establish the broad ground rules for incumbent and new entrant telecom and broadcasting companies must not only fit today's circumstances, but it must be forward-looking. It also ought to be provided in a timely manner, particularly given the rapid and unrelenting pace of the development in telecommunications and broadcasting sectors, and in the competitive race that we find ourselves caught up in with our major trade competitor countries.

It must also be remembered that while the present day structure of the telecommunications sector has to a major extent evolved naturally, it has also been fashioned by government policy through the CRTC and other political means. Premised on avoiding duplication to the network infrastructure while restraining monopoly profits, the regulatory framework crafted monopoly fiefdoms in the telephone and telegraph industries, beginning with the Railway Act of 1905 and then in the cable television industry with the Broadcasting Act of 1968. However, technology developments in fibre-optic cable, digital switching and compression, wireless and satellite communications and computer software applications are leading these once-separate industries to converge and share a much larger common market.

• (1620)

These technologies are also overcoming the economic limitations of their predecessors, making it possible for a number of competitors to enter the industry without any adverse impact on economic efficiency; in fact, the reverse is more likely.

As stated by George Addy, Director of Investigation and Research in the Bureau of Competition Policy, to the commissioners of the CRTC in their hearings on the information highway and industry convergence:

> If Canada is to compete in the global information economy, its people, firms and institutions must operate to the maximum of their abilities. Free and open competition among content and distribution providers will ensure that the Information Highway operates in an efficient and effective manner to the benefit of all Canadians. At this time, one must look beyond the issue of protecting the regulatory entitlements of incumbents and focus on the new realities in technology, trade and consumer expectations.

He therefore concludes and recommends that:

> The significance of the Information Highway to the economic and social life of Canada transcends the commercial interests of the telephone and cable companies...

That

> ...competition can and should play an important role in the development and operation of the information highway; and

That

> ...the process of removing regulatory and other barriers to competition should begin now, lest we risk falling behind other nations in the development of an information-based economy.

The "Information Revolution" is not confined to Canada; it is truly global in nature and the stakes for Canada are high. The United States is poised to take full advantage of its emerging opportunities, as evidenced by its private sector commitment to investment — more than $200 million in new telecommunications technologies and services over the next ten years.

At the same time, the Japanese industry has committed $250 million in investment to construct its Information Highway by the year 2010. Deregulation and the promotion of convergence of telecommunications and cable television markets are now underway in both countries, as well as in Europe.

Canadian policymakers cannot afford to be complacent; time is of the essence. As Derek Burney, Chairman and CEO of Bell Canada International, recently remarked in a speech to the Canadian Club:

> Canada should not become, by default, a ramp running off someone else's super highway. Canadians should be able to obtain information and communicate with one another and the world easily, reliably, securely and cost-effectively in any form—voice, data, image or video. To that end, what is needed is a regulatory and policy framework which encourages private sector investment in the telecommunications here in Canada...We would welcome policy support for a more favourable R&D environment as well as continuing support for Canadian companies in their efforts to compete internationally.

The Standing Senate Committee on Transport and Communications is no stranger to issues of telecommunications. You will know that we did a major pre-study of the telecommunications act of 1993 and worked very closely with then-Minister Perrin Beatty to effect major and substantive changes designed to make sure that competition was a major component of the public policy being developed. When we did that study, we were painfully aware that more changes within that industry were coming and that new federal policies were needed. Convergence is bringing Canada's broadcasting and telecommunications policies to a crossroads. Indeed, these new technologies, which are engineering the increased fragmentation of Canadian radio and television audiences, are forcing policymakers, people here in Parliament, to rethink the traditional policy instruments they used to preserve and promote Canadian culture.

One of the things the Standing Senate Committee on Transport and Communications wants to look at is to determine whether there is a Canadian solution to many of the pressing problems in telecommunications today. Our concerns are global but we have an obligation to look within our own country to find solutions to our problems. We intend to bring before us leaders in their industry such as Ted Rogers, Brian Canfield, John MacLennan and many others.

Cultural sovereignty is and will remain a high priority for any Government of Canada. However, past public measures meant to deal with the technological and economic realities of the information-based society have resulted in the growing deficits incurred by the CBC and the non-compliance of certain private-sector television stations with Canadian content rules.

Clearly, federal policies must be reworked, if not thrown out entirely, and replaced by more effective ones. Which measures should be discarded and which ones should replace them? What is the timetable for implementation? What is the role for the CBC, the CRTC, and the Bureau of Competition Policy? Who shall carry the burden of these policies? Should it be the taxpayer, the consumer, the content provider or the telecom/cable company? These questions and their answers are at the centre of the telecommunications-broadcasting controversy.

It has come to the committee's attention that these government agencies are delving deeply into the requisite issues, whether controversial or not, from a wholly domestic perspective. An international perspective is missing or is merely collateral to their focus. Your committee realizes that since these innovative technologies reconfigure telecommunications and broadcasting sectors along global rather than national lines, an international perspective that would include an investigation into the industrial policies and regulatory frameworks relating to the telecommunications industries of our chief trade competitor countries, such as the United States, Europe and Japan, are needed. What appears as the proper balance of telecommunications, broadcasting and cultural policies, the right mix of regulation and competition, and the suitable combination of private and public sector involvement from a national perspective, may not appear to be so far from an international perspective.

What happens in other countries profoundly affects Canada. By investigating and reporting on the international aspects of such Canadians policies, your committee on transport and communications will fill a void in the information required to make government policy. In doing so, your committee intends to paint a more complete picture of Canada's optimal transition path to and future prospects in the forthcoming global information-based society.

**Hon. Noël A. Kinsella:** Honourable senators, would Senator Oliver entertain a couple of questions?

**Senator Oliver:** Yes.

**Senator Kinsella:** Senator, in your presentation you identified a few leaders in the industrial sector of communications that your committee would invite to participate in this study should it be approved by the Senate.

You did not mention which leaders or which ministries of the present government you would invite. It is my understanding, but correct me if I am off the mark, that presently the stakeholder departments are the Department of Industry, the Department of Canadian Heritage, perhaps the Departments of Public Works and Transportation as well.

Would it be the intention of your committee to invite all of those ministers to appear? What expectation do you have that they would come? Does the Department of Transport become a stakeholder as well, and, if so, would you invite the Minister of Transport?

**Senator Oliver:** I thank the honourable senator for his question. The Standing Senate Committee on Transport and Communications has, in the past few months, had before it the Minister of Industry, the Honourable John Manley, and the Minister of Canadian Heritage, the Honourable Michel Dupuy. They have indicated a willingness to come back at a later time. It would be our hope, should this order of reference be granted by the Senate, that they would come back at the appropriate time.

The Minister of Transport was asked to appear before the committee tomorrow. The minister through his staff has written to our committee saying that he has only one priority and that is Bill C-22 and that he will not appear before this or any other committee until his legislation is passed.

On motion of Senator Bosa, debate adjourned.

The Senate adjourned until Wednesday, April 5, 1995, at 1:30 p.m.

# THE SENATE

**Wednesday, April 5, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

[*Translation*]

## SENATORS' STATEMENT

### HOUSE OF COMMONS

DECISION TO TERMINATE PRINTING OF COMMITTEE PROCEEDINGS

**Hon. Eymard G. Corbin:** Honourable senators, the proposal to stop printing the minutes of proceedings and evidence of Commons committees came as a shock to many people. I, for one, find it totally outrageous. This will have a negative impact on the Senate, the house of sober second thought.

To their credit, some members rose in protest. Time will probably prove them right. Unfortunately, there are none so deaf as those who will not hear.

Eliminating printed committee reports will further undermine Canadians' confidence in Parliament. This proposal seems to come from people for whom ideas, discussions, debate and intellectual exchanges have no civilizing value so long as they remain in power. As the temporary masters of Parliament, they are willing to sacrifice a valuable working tool at the altar of the almighty dollar. We must question their respect for the parliamentary values laboriously acquired over the centuries.

In my opinion, the current cybernetic revolution is very poorly served by proposing dubious alternatives in the name of bogus savings. In one fell swoop, they are restricting information access for thousands of people from the current generation and those that will follow. Those most affected will be the members of the House of Commons and perhaps to an even larger extent the senators themselves, along with academics, senior officials, researchers, historians and many non-governmental agencies, not to mention numerous citizens from coast to coast and even government opponents, who are essential to a healthy democracy.

I think that the authors of the proposal to stop printing Commons committee proceedings have declared bankruptcy and admitted their incompetence and inability to manage this issue. Instead of developing protocols, making wise choices and setting priorities — I agree that not everything needs to be printed — instead of removing or cutting where necessary, eliminating waste, duplication and useless chatter, they killed the patient. Instead of tackling abuse, exaggerations, the waste of valuable resources — in an effort to do better — they yielded to the temptation of the guillotine. It is crucial that we take some time to think about this.

We must also question the impact of this decision on access to information in both official languages, on the obligations under the Official Languages Act.

What are you waiting for, gentlemen — I hope that my female colleagues will forgive me for getting straight to the point — before you eliminate *Hansard*? After all, your debates are televised! Is the Senate safe from the hordes of barbarians?

The esteem in which I hold Parliament prevents me from going any further.

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## ROUTINE PROCEEDINGS

### EUTHANASIA AND ASSISTED SUICIDE

NOTICE OF MOTION TO CHANGE NAME OF COMMITTEE IN FRENCH

**Hon. Thérèse Lavoie-Roux:** Honourable senators, I give notice that on Thursday next, April 6, 1995, I will move:

> That the name of the Special Senate Committee on Euthanasia and Assisted Suicide be modified in French to "Comité spécial sur l'euthanasie et l'aide au suicide."

• (1340)

[*English*]

### ALTERNATIVE FUELS FOR INTERNAL COMBUSTION ENGINES BILL

REPORT OF ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Leave having been given to revert to Presentation of Reports from Standing or Special Committees:

**Hon. Colin Kenny:** Honourable senators, I have the honour to present the eleventh report of the Standing Senate Committee on Energy, the Environment and Natural Resources which deals with Bill S-7, an act to accelerate the use of alternative fuels for internal combustion engines.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate)

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Kenny, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

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# QUESTION PERIOD

## NATIONAL DEFENCE

RESTRUCTURING OF CANADIAN ARMED FORCES RESERVE—GOVERNMENT RESPONSE

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I was asked a question yesterday, for the second time, by my friend Senator Forrestall, and I undertook to get an answer for him as quickly as I could. I discovered today, just as I was about to enter the house, that the answer to his question has been made publicly available. My friend's question was with regard to the reserve commission.

Although I am not sure that this is procedurally correct, would honourable senators permit me to convey that answer to Senator Forrestall at what is for me the absolute earliest opportunity?

**Senator Doody:** Any answer is welcome.

**Senator Fairbairn:** Senator Forrestall has a strong interest in the commission announced by the Minister of National Defence on the restructuring of the Canadian Forces reserves. The minister is today announcing that the commission will be chaired by the Right Honourable Brian Dickson, the former Chief Justice of Canada, and that he will be assisted by retired Lieutenant General Charles H. Belzile and by historian Jack Granatstein.

Although I do not have the specific terms of reference, it is noted that the commission will be free to examine all elements of the reserves but is expected to focus on the primary reserve and, to a lesser extent, the supplementary reserve.

I will try to obtain more details, which I will send to my friend, but I wanted him to have that information virtually as soon as I knew about it.

## TRANSPORT

PEARSON AIRPORT AGREEMENTS—REFUSAL OF MINISTER TO APPEAR BEFORE SENATE COMMITTEE—GOVERNMENT POSITION

**Hon. Donald H. Oliver:** Honourable senators, my question is directed to the Leader of the Government in the Senate. I received a letter from Margaret Penniston, Legislative Assistant to the Minister of Transport, dated April 3. That letter says:

> The Honourable Douglas Young, Minister of Transport, has asked that I respond to your letter of March 30, 1994 in the interests of timeliness, further to your request that he appear before the Senate Standing Committee on Transport and Communications this Wednesday, April 5, 1995.
>
> The Minister's focus in the Senate will remain Bill C-22 until such time as it has been passed. He has asked me to advise you that officials of the department will be available and I will be happy to coordinate their appearance before the committee.

In view of the fact that the Minister of Transport has already refused to appear before the Standing Senate Committee on Legal and Constitutional Affairs, is it the position of the minister that he will not appear before our committee unless and until the Senate passes Bill C-22?

**Hon. Joyce Fairbairn (Leader of the Government):** I thank my honourable friend for his question. However, I cannot give him an answer, having only just been advised of my honourable friend's letter and the response to it. I should like to discuss the matter with my colleague and report back to my honourable friend.

**Senator Oliver:** In view of the importance of the matter, is it too much to expect a reply tomorrow?

**Senator Fairbairn:** That will be my goal.

PEARSON AIRPORT AGREEMENTS—MEETING OF PRIME MINISTER WITH MATTHEWS GROUP—REQUEST FOR DETAILS

**Hon. Marjory LeBreton:** Honourable senators, my question relates to Pearson airport and the infamous one-and-a-half hour meeting between Mr. Matthews, Mr. Chrétien and Mr. LaBarge at which "something" was discussed. Mr. LaBarge claims the meeting took place in mid-April of 1989; Mr. Chrétien's office has said that the meeting took place in January of 1990, which supports the claims by Mr. Matthews.

Mr. LaBarge is quoted in last Saturday's *Financial Post* as saying:

> I think he's —

— referring to Mr. Chrétien —

> — confused on the dates...

Last week, Senator Phillips read into the record a letter from Jack Matthews which stated that he would be pleased to attend any inquiry and testify under oath subject to cross-examination.

My question is threefold: What was the date of this meeting, April 1989 or January 1990, or were there, in fact, two meetings? Will the Prime Minister and Mr. LaBarge make the same commitment to appear as has Mr. Matthews?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I too have been curious about the dates. This is a tale of some interest.

The information I have is that the January 1990 date was first made public by Mr. Matthews, and the Prime Minister's office accepted Mr. Matthews' rendition of the date. However, upon checking his files, Mr. LaBarge discovered that the date of the meeting was, in fact, April of 1989. That is when the meeting took place. I am advised that there was only one meeting, and that is the story of the date.

REMOVAL OF EMERGENCY RESPONSE CAPABILITY
FROM SMALLER AIRPORTS—GOVERNMENT POSITION

**Hon. Consiglio Di Nino:** Honourable senators, my question is directed to the Leader of the Government in the Senate. The Minister of Transport has made numerous statements outlining his concern for Pearson International Airport. It appears, however, that his concerns are limited only to Pearson airport and not to the many smaller, local airports found across Canada.

We see today that the Department of Transport has completely removed the emergency response firemen from 15 airports across the country. In addition, the department has dramatically reduced the emergency response capabilities at a host of other airports, including London and Windsor, Ontario. The reason given is that this is a budget-related cutback. Will the Leader of the Government in the Senate indicate whether this trend of the government to sacrifice the safety of Canadians for the sake of deficit reduction has her support and that of her cabinet colleagues?

• (1350)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I must admit to the Honourable Senator Di Nino that I have had a certain preoccupation with Pearson airport in recent days and weeks.

I would not concede for a moment that the announcement concerning the emergency response at smaller airports in any way endangers public safety or the safety of those airports. However, I should like to obtain a detailed response for my honourable friend, which I will endeavour to bring to the house tomorrow.

APPLICATION OF INTERNATIONAL CIVIL AVIATION ORGANIZATION
STANDARDS AT SMALLER AIRPORTS— GOVERNMENT POSITION

**Hon. Consiglio Di Nino:** Honourable senators, major Canadian airports are not affected by these cuts. One reason is that, as a member of the International Civil Aviation Organization, Canada is obliged to maintain emergency response standards at a minimum acceptable level for those airports.

Will the Leader of the Government determine whether Transport Canada, while not obligated by international rules, is still using the ICAO standards as its reference for providing adequate safety measures for smaller regional and municipal airports?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will add that question by my honourable friend to the list about which I shall be making inquiries this afternoon.

[*Translation*]

PEARSON AIRPORT AGREEMENTS—DISCREPANCIES IN
NIXON REPORT—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, my question is for the Leader of the Government in the Senate and concerns the Nixon report on certain agreements between the Government of Canada and the Pearson Development Corporation respecting the development of the airport in Toronto.

In his report, Mr. Nixon indicated that a deal was made at the discretion of the Prime Minister during the election campaign. In a memorandum to Mr. Nixon, the then Deputy Minister of Transport, Mr. Rowat, said that the government wrote to the consortium that approval had been sought from the Treasury Board and the Governor in Council to finalize the paperwork.

The agreements submitted to the Treasury Board were approved by the Treasury Board and the Governor in Council on August 27, 1993.

Madam Minister, Mr. Nixon was aware of this. Why did he not disclose these facts in his report to your Prime Minister?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the question asked by the Honourable Senator Nolin is extremely detailed. I would like to reread it before passing it along for response, something I do with all of Senator Nolin's questions.

[*Translation*]

**Senator Nolin:** My supplementary again concerns Deputy Minister Rowat's memorandum to Mr. Nixon when he was preparing this report.

In his report, Mr. Nixon indicated that Paxport, one of the members of the consortium, was unable to demonstrate that its proposal was financially viable, and that is why Paxport went to Claridge so they could submit a joint proposal.

Mr. Nixon forgot to mention in his report, as Deputy Minister Rowat told him in his memo, that the Department of Transport had retained the services of the firm Deloitte and Touche to audit the statement of financial viability in the proposal made by the two parties.

Based on the report by Deloitte and Touche, formal negotiations started and were concluded at the time, in other words, in August 1993. Mr. Nixon, according to Mr. Rowat's memo which was made public recently, was aware of these facts. I repeat, he did not mention this to your Prime Minister in his report. Should he have done so, and if he did not, why not?

[*English*]

**Senator Fairbairn:** Honourable senators, I will convey those questions for responses as well.

STRENGTHENING NATIONAL HIGHWAY STANDARDS
FOR TRUCK SAFETY—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, my question is addressed to the Leader of the Government in the Senate. I want to thank her for the courtesy which she extended in regard to my question concerning restructuring of the reserves.

I am sure we were all somewhat saddened by the tragic death of a young Ontario man on the Queen Elizabeth Highway last Monday as a result of a truck incident. A similar incident occurred over the weekend in my own province with a massive truck tire left in the middle of the road.

My colleagues know of the differences as a result of different jurisdictions. Can the Leader of the Government find out from

her colleagues whether the government intends to do something by way of strengthening national standards in this area?

Some measures are being taken with respect to jurisdiction in interprovincial trade. The same is true with respect to international trade. Yet, we sit idly by while the Conference of Provincial Transport Ministers wrestles with this question against the backdrop of fair trade among provinces. It is a difficult question for them. It is a much easier question for us. Does the government have any views as to how we might strengthen the standards so as to prevent tragedies such as I have mentioned from occurring again?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I appreciate the Honourable Senator Forrestall's question. I share his sadness and the sadness of people in this house as a result of the accidents to which he has referred.

It is a difficult question which the honourable senator has asked. Obviously, jurisdictional ramifications will have some influence. I will pass along my friend's suggestions and see what I can come up with.

**Senator Forrestall:** Honourable senators, there is some urgency attached to this matter in light of the desire of the minister's colleague not to spend too much time with senators. He is one of the few ministers who can answer some of our questions. Senator Davey, myself and others in the Senate, I am sure, would like very much to have the minister appear before us so that we might begin to look at some of these questions.

**Senator Fairbairn:** Honourable senators, with regard to this issue, I am sure that my colleague shares the concern expressed by Senator Forrestall and the rest of us. As I said to Senator Oliver earlier, I will pursue this matter with my colleague. I will add his question to the list of subjects of interest.

PEARSON AIRPORT AGREEMENTS—REQUEST FOR APPEARANCE OF MINISTER BEFORE SENATE COMMITTEE

**Hon. Gerry St. Germain:** Honourable senators, my question is addressed to the Leader of the Government in the Senate. It is supplementary to the question posed by Senator LeBreton.

Honourable senators, it is obvious that the Prime Minister attended a meeting in Toronto. As a result of having read *Hansard*, I gather he indicated to the House of Commons that he was not acting as a lawyer at that meeting. Are the Prime Minister and Mr. LaBarge prepared to appear before an inquiry and give testimony under oath, as Mr. Matthews is prepared to do?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, obviously I cannot answer the question just asked by Senator St. Germain. However, it is clear from the answer that the Prime Minister has given in the House of Commons and elsewhere that he attended a meeting. It was not the Prime Minister's meeting; it was the meeting of Mr. LaBarge. As the Prime Minister has said repeatedly, the question of the privatization of Pearson airport was not discussed at that time.

## HEALTH

TOBACCO DEMAND REDUCTION STRATEGY—DISTRIBUTION OF STUDY ON PLAIN PACKAGING—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, the Minister of Health now has the benefit of a study concerning the packaging of tobacco products, including plain packaging and its impact on consumers, particularly young people. The study is part of the government's Tobacco Demand Reduction Strategy, which lost one third of its funding in the wake of the government's recent budget. Health advocates are eager to see the study's conclusions and, more important, the government's decision on whether to require tobacco manufacturers to adopt plain packages.

• (1400)

If that should happen, then another ongoing problem, the back-door advertising by tobacco companies through sponsorship of cultural and sports events, would largely solve itself.

My question for the Leader of the Government in the Senate is this: Despite this year's $33 million cut to the Tobacco Demand Reduction Strategy, will she enquire of the Minister of Health whether she intends to widely distribute that study in order to ensure that there is public knowledge of the government's intent on the issue of plain packaging?

**Hon. Joyce Fairbairn (Leader of the Government):** I would be pleased to obtain that information for my honourable friend.

## CANADIAN HERITAGE

EXPO 2005—REPORT OF INDEPENDENT EVALUATORS—DECISION BASED ON POLITICS OR MERIT—GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, the Honourable Leader of the Government will be happy to know that I am not rising to talk about Pearson airport or to inquire about the absenteeism of the Minister of Transport from our institution. Rather, I will ask a question about something closer to home for the honourable leader and for myself. It relates to the contest between the cities of Calgary and Ottawa with respect to Expo 2005.

I understand that the government has now received the report of the independent evaluators containing their recommendations as to which city they favour as the Canadian candidate for Expo 2005. Can the leader advise the Senate as to when the government will be making that decision?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my friend is quite right; that report has been handed in to the Minister of Canadian Heritage. I have no information on the actual timing, but the views of the government will be conveyed when they are ready.

**Senator Ghitter:** Will the report of the evaluators be made public?

**Senator Fairbairn:** That is my understanding, honourable senators, but I should like to reaffirm that.

**Senator Ghitter:** Honourable senators, there is a feeling in Alberta that the decision will be made, based not upon the report of the evaluators but, rather, that it will be a decision made for political reasons. My friend from Ottawa is nodding his head up and down, and I see a few Albertans responding.

**Some Hon. Senators:** Oh! Oh!

**Senator Ghitter:** I judge from the reaction I am getting from the other side that the decision will definitely be a political one, and not based upon merit. However, my inquiry is not directed to those from Ottawa, who are nodding their heads up and down, but rather to my fellow Albertan across the way. I ask her assurance that the decision will be made on the basis of the evaluators' report, rather than for political reasons.

**Senator Fairbairn:** Honourable senators, I would say to my friend and fellow Albertan that I believe the decision of the government will be made cleanly and fairly, and not for political reasons.

**Senator Doody:** Just like Pearson?

## THE HONOURABLE SENATOR WILLIE ADAMS

TRIBUTES ON 18TH ANNIVERSARY OF APPOINTMENT TO THE SENATE

**Hon. Peter Bosa:** Honourable senators, I have a question for the Leader of the Government in the Senate. I wonder if the leader is aware of the fact that today in *The* Ottawa *Citizen* there appeared a very short article entitled, "Today in History." On this day in 1977, Willie Adams of Rankin Inlet was appointed senator for the Northwest Territories and became the first Inuit to sit in Parliament.

**Hon. Senators:** Hear, hear!

**Senator Bosa:** Perhaps the leader is also aware that, in order to make Senator Adams feel at home, Mr. Trudeau also appointed three members of other minority groups, namely Senator Olson, Senator Frith and myself.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I congratulate all of my honourable friends on the anniversaries of their appointment. I also congratulate Senator Adams as a trail–blazer in this institution. I have had the distinct pleasure of travelling to Rankin Inlet and visiting, not just with my friend Senator Adams, but with those whom he represents. I would report to this house that not only does Senator Adams represent them faithfully and well but, from their point of view, they regard his representation with great pride and affection.

## FOREIGN AFFAIRS

REMARKS OF SENATOR STOLLERY ON MEXICO—POSSIBILITY OF CANADA'S WITHDRAWAL FROM NAFTA—GOVERNMENT POSITION

**Hon. Lowell Murray:** Honourable senators, I heard part of Senator Stollery's speech on Mexico yesterday and read the rest of it today. Does the Leader of the Government, or another Liberal senator speaking on behalf of the government, intend to give the government's response to Senator Stollery's speech, in particular his demand that Canada should leave NAFTA?

I say that while recognizing that the adjournment of the debate was taken by the Deputy Leader of the Opposition. I should like to know whether Senator Stollery's speech has been drawn to the attention of the Minister of Foreign Affairs and whether somebody on behalf of the government might wish to speak on that matter?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, business kept me out of the Senate yesterday afternoon. I, myself, have not read Senator Stollery's speech. However, I did tune in at the very end when Senator Spivak was expressing a great deal of interest in that speech. I will convey my honourable friend's questions to my appropriate colleagues after I have read it with interest, just as Senator Spivak listened with interest. Our colleague Senator Stollery is extremely knowledgeable and experienced in activities in that part of the world.

REMARKS OF SENATOR STOLLERY ON MEXICO—
RESPONSE FROM MEXICAN EMBASSY—GOVERNMENT POSITION

**Hon. Lowell Murray:** In addition, would the leader let us know in due course whether the government has heard from the Mexican embassy, whose members are described by Senator Stollery as being part of what he calls "the mob"?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will also take that question as notice. The Prime Minister, as we speak, is winging his way to Dallas, Texas, where he will be meeting with the President of Mexico.

## QUESTION OF PRIVILEGE

**Hon. H.A. Olson:** Honourable senators, I believe this is the first opportunity I have had under the rules to raise a question of privilege. The question is a very simple one, but it was abused particularly badly today, which is why I raise it now. The preambles to questions asked during Question Period are supposed to be brief, and they were not.

**Hon. Senators:** Hear, hear!

• (1410)

**Senator Olson:** The rule book says that questions should be based on fact, and they were not. Rather, they contained opinion presented as fact. Senators Di Nino, Oliver and LeBreton are all equally guilty of this infraction of the rules. I would like these senators to know that we have noticed that they are not following the rules.

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## ORDERS OF THE DAY

### THE BUDGET 1995

STATEMENT OF MINISTER OF FINANCE—INQUIRY—
DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Spivak, calling the attention of the Senate to the budget presented by the Minister of Finance on Monday, February 27, 1995.—(*Honourable Senator Berntson*).

**Hon. Jack Austin:** Honourable senators, I have a few remarks to make concerning the budget, our fiscal standing and the general directions of policy of the Government of Canada.

Following Finance Minister Paul Martin's budget address on February 27 last, Dominion Bond Rating Service of Toronto advised its clients that:

> ...the government has demonstrated the necessary political will to make fundamental reforms.

Consequently, the DBRS maintained its AAA rating for the government's Canadian dollar debt. Standard & Poor's Corporation of New York also maintained its AAA rating on Canadian government debt. Prior to the budget on February 16, Moody's Investment Services of New York put Canada's debt under review for a possible downgrade, but has yet to announce its decision. These are all financial service companies whose business it is to advise investors, in particular, professional investment managers, on the value of debt issued by various governments and corporations.

What Finance Minister Martin undertook to present to Canadians in his second budget address was a credible plan to meet the interim 3 per cent deficit-to-GDP target in fiscal 1996-97. The general view of Canadians is that Finance Minister Martin has succeeded.

The budget plan carries out three strategic goals. First, it delivered expenditure restraint over tax increases by about a seven-to-one ratio. Second, it made cautious economic assumptions generally lower in expectation than is commonly held by the private sector. Third, it incorporated contingency reserves as a buffer against unforeseen events.

The reaction of the Royal Bank of Canada was to advise:

> We view the budget as positive for financial markets, with the positive tone likely to persist in the near term.

The Royal Bank also reported that they:

> ...view the 3 per cent target as a bare minimum, just sufficient to stabilize the federal net debt to GDP ratio at a hefty 73.5 per cent.

Under the plan of the Minister of Finance, the deficit is projected to fall from $37.9 billion in 1994-95, to $32.7 billion in 1995-96, and to $24.3 billion in 1996-97. The government considers this 3 per cent target as an interim step. Mr. Martin has been adamant that the most effective way to reach that goal is to present two-year rolling forecasts so that the concentrated effort of government is on actual and immediate results in deficit cutting. The question of deficit-to-GDP ratios for 1997-98 will be dealt with a year from now. However, it is clear that increased spending cuts, with some additional taxes, are in Canada's continuing budgetary future.

The core of the budget's direction is in the reduction of expenditures by some $17 billion over the three-year span from 1996-97. This involves the down-sizing of some 45,000 civil servant jobs, a 60 per cent cut in subsidies to business and a major down-sizing of some government departments, in particular Transport Canada, the regional agencies, Natural Resources and Industry. Only the Indian and Northern Affairs portfolio will receive increased funding.

Also important is the reduced transfers to the provinces, totalling $4.7 billion by fiscal 1997-98. Next year, a block grant will take the place of the present system under the Established Programs Financing and the Canada Assistance Plan. The provinces will be given greater freedom to set priorities, but with less money. The burden of the cuts is to be borne by Ontario, Alberta and British Columbia.

I mentioned the Minister of Finance's cautious economic assumptions. Key among them is the assumption of a sharp slow-down in the U.S. economy in 1996. The budget assumes that U.S. real growth will be only 1 per cent — a bumpy landing indeed. The minister also assumes that U.S. short-term interest rates will rise by another 150 basis points by the end of 1995. As to the contingency reserves which I mentioned, the budget holds $2.5 billion for 1995-96 and $3 billion for 1996-97. These reserves are set up to cover the impact of unforeseen events and are part of the government's prudent fiscal plan.

In general, the world financial community has accepted the February 27 budget as a solid move in the right direction. Since the budget, the Canadian dollar has traded in close track with the U.S. dollar. Admittedly there has been some volatility for both currencies as compared with the Deutschmark, the Japanese yen or the Swiss franc, but the Canadian dollar has seen a generally firming trend which many currency traders believe will continue until the next budget.

However, there are a few cautionary notes being played with respect to Canada. Both Moody's and the Canadian Bond Rating Service have proclaimed negative outlooks. After the budget, CBRS said that its negative outlook continued on the basis of Canada's debt size and GDP, and that it is particularly concerned about the debts of the provinces of Quebec and Ontario. On February 16, Moody's put Canada's domestic dollar debt and its foreign currency borrowing on review for possible downgrade. Moody's also advised that a credible budget might not prevent a downgrade.

One of the leading financial services commented on Moody's possible concerns as follows: First, it stated that while Canada is a growth leader in the industrial world, it has been slowest to address the sharp rise in gross debt relative to income. Second, with taxes reaching absolute limits of voter tolerance, most restructuring must come on the expenditure side, something which will become increasingly difficult. Third, the large debt is at risk from any sharp economic downturn or from a political crisis, such as Quebec separation being approved in the forthcoming Quebec referendum.

Mr. Martin has said that the government will not let up. With the 65 per cent approval rating of the budget given by Canadians, it appears that Canadians themselves will not let up.

Certainly, there is encouragement from Canada's economic performance. Real GDP growth came close to 6 per cent in the fourth quarter of 1994, and business confidence is far higher than a year ago. The lower Canadian dollar and a robust U.S. demand are behind a remarkable surge in exports, including auto parts, machinery and equipment. Inflation in Canada remains well under control by any measure, and the Canadian economy is producing new jobs at an impressive rate. For 1995, the conference board expects that more than 300,000 net new jobs will be created, equivalent to a 2.7 per cent increase in total employment, and a similar increase is predicted for 1996. For 1994, the Bank of Canada has stated that the number of full-time jobs increased by over 460,000.

• (1420)

Along with most Canadians, I share the concern that Canada has made itself too vulnerable to the global currency phenomena that developed over the last five to 10 years. Money from Europe, North America and Asia is constantly and restlessly seeking optimum short-term returns. Some of the best-trained minds are playing the game of currency arbitrage by the minute, hour and day, with trillions of dollars in equivalent liquidity. One of the major challenges to achieve national stability, not only for Canada but also for all countries, is to find ways to reduce currency volatility while maintaining adequate flows to finance world trade and investment. From the point of view of the Canadian economy, Canada's debt denominated in foreign currency is one of the playthings of the gnomes located no longer only in Switzerland but virtually everywhere.

Debt in Canadian dollars is also sensitive to foreign perceptions, with billions held by foreign investors. Over $100 billion in Government of Canada bonds and bills is traded every day. Canada is not the most susceptible of nations to the winds of choice but we are susceptible. The cost in interest rates can be very high. Nearly every Canadian school child must know by now that 40 per cent of Canada's budget is paid out to the creditors of the Government of Canada.

One of the axioms of business is that if a financial hit is likely, the best time to take that hit is as early as possible in the decline curve. The earliest point is the least costly point. Many in Canada today wish that the Honourable Michael Wilson's budget of 1985 had been implemented by the government of the day or implemented in any of the years that that government was in office. In 1995, the task is more difficult and costly to the Canadian economy. However, the task must be and is being addressed.

I have said that the ratio of expenditure cuts to new taxes is about seven to one. Many Canadians are facing the removal or reduction of transfer payments that will affect the quality of their lives. Some are dependent on these payments; others find the support they are receiving a significant enhancement to what they and their families could provide. Canadians have a deep commitment to their social security system, health care, senior citizens pensions and payments, unemployment insurance, and programs for disadvantaged Canadians, to name a few. Most Canadians believe that the battle for a fairer, more caring and tolerant society defines the essence of the Canadian way of life.

There are commentators who have somehow discovered in Mr. Martin's budget that the government has started down the path of revolutionary change in Canada and that elements of social and economic Darwinism are being introduced into Canadian society. Some would even like to see it happen, but nothing can be further from the truth. It will not happen. It is not the Canadian value system. In supporting this budget, Canadians have not called for a change in the essential goals that Canadian society has pursued for so long. Canadians like myself have said, "Maintain these goals. But take into account that our prosperity, our fiscal sturdiness and our optimism must be the underpinning for a caring social policy." Trim our sails if we must, but keep a healthy crew and stay on course — the good winds will come again.

Canadians will never accept poverty as a feature of our social and economic life. We have worked for decades to reduce the number of Canadians living below the poverty line. This Senate has been a leader in studies and advocacy to achieve these goals. We can and we have debated whether, in reducing poverty and disadvantage, we are putting too much burden on the economy or having too repressive an effect on the motivation of our society at any given time. I do not believe that anyone in this house, or most Canadians, would want us to deviate from our long-held values and national policy goals.

It does not stand well for any Canadian to believe that he or she should have no concern for others. I do not believe most Canadians would fall into that category.

The challenge for Canadians today and the challenge which the Minister of Finance, Mr. Martin, took up in his budget is to promote Canada's economic strength by putting our public finances on a long–term, healthy basis; to promote economic growth by supporting an economy which creates value-added jobs and corporate growth which, in turn, improves our revenue

base; to sustain and develop a healthy social environment that will maintain a united Canada; and to harness the effort of Canadians to develop our science, technology and innovation to keep us in the forefront of international trade and investment.

I am confident, honourable senators, that the government will stay the course in the years to come and that Canadians will support that course.

**Hon. Lowell Murray:** Honourable senators, with regard to the speech that Senator Austin has just made, I take it that he would agree that the best way to reduce our vulnerability to the money traders is to get out of debt. In that connection, how can my colleague defend the Finance Minister's approach of two–year rolling targets? Surely it would have a more stabilizing influence if the government would commit itself to a definite reduction not only in the deficit but also in the debt over a fixed period of time.

**Senator Austin:** The thrust of my comments, Senator Murray, centred on the thesis that reducing our debt exposure reduces our vulnerability and puts more control back in the hands of Canadians in terms of their economic and social goals. I think the Minister of Finance is correct in adopting the technique of two-year rolling targets. The critical part of the Canadian budgetary process, as it has emerged over the last few years, has been the credibility of the projections of the Department of Finance, which have been woefully off-target year in and year out and have led ministers of finance in the previous government to conclusions that proved not to be sustainable and, in some cases, were not even sustainable when they were announced.

Credibility is critical, and the Minister of Finance, the Honourable Paul Martin, has adopted two-year targets in order to be specific and focused in terms of expenditure cuts and to ensure that long term estimates are not the basis of our target setting.

**Senator Murray:** Honourable senators, that raises an interesting question. The honourable senator is correct to say that the forecasts went off the rails, notably in the case of revenues, under the previous government. Is my honourable friend suggesting that it is not possible to make forecasts with any accuracy beyond a two-year period?

**Senator Austin:** It certainly reduces the likelihood of accuracy to make forecasts beyond two years. The honourable senator need only look at the volatility in currency markets or at the yen-U.S. dollar trading that has taken place. For example, look at the unexpected impact on the Japanese economy. That economy now has a threatened recession which, in my view at least, is something of enormous concern to the trade stability and liquidity of Canada and other parts of the world.

• (1430)

It may be possible to be accurate beyond two years, but it is not necessary to stick your neck out so far when what you are doing is reducing your debt and your deficit in the first instance.

The previous government suffered serious disappointment on the revenue expectation side. I doubt that the previous government did all that it could with respect to expenditure reduction. The work of former minister Erik Nielsen was a remarkable exercise. I am not saying every recommendation he made should have been adopted, but the targetting was something that might have been pursued more aggressively.

**Senator Murray:** I do not want to hold up the Senate on this matter if there are other matters to be dealt with.

**The Hon. the Speaker:** Honourable senators, the time allotted for questions is over, but with agreement Senator Murray can continue. Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Murray:** Senator Simard indicates that he has one question, with a brief preamble is permissible.

The honourable senator has obviously done a lot of thinking about, and is concerned with, currency speculation. Does he have a view on the famous Tobin tax, named after the economist who suggested it, or indeed on the particular wrinkle to the Tobin tax that was suggested by Mr. Axworthy recently, which would be a tax levied on automated financial transactions, with a view to paying the costs of adjustments that take place in the financial services industry? If the honourable senator has thought about that, will he favour us with his view, either today or at some later date?

**Senator Austin:** I truly do appreciate this question, Senator Murray. I have given it some thought, and as Senator Murray is obviously aware, some of the members of this cabinet have kicked around the idea of the so-called "Tobin tax" — not Brian, but the famous American economist — with differing resultant views. It is an interesting item to debate.

When one has worked through all of the theory, the problem is that the allocation of those revenues would require the same kind of committee work that would pertain in a discussion of controlling the weather. The allocation would be based on the views of an international committee. Can you imagine what a debate that would entail? It would make federal-provincial relations timid, even kindergarten stuff.

The methodology to collect the tax does exist because of the electronic way in which money is now transferred. One can track a great percentage of the funds as they move around the world. This is not the difficulty. However, I doubt if we will see this tax seriously discussed for some time yet.

On motion of Senator Stratton, debate adjourned.

## TRANSPORT AND COMMUNICATIONS

### COMMITTEE AUTHORIZED TO STUDY TELECOMMUNICATIONS

On the Order:

Resuming the debate on the motion of the Honourable Senator Oliver, seconded by the Honourable Senator Doyle:

That the Standing Senate Committee on Transport and Communications be authorized to examine and report upon Canada's international competitive position in telecommunications including the following: a review of the economic, social, cultural and political importance of the telecommunications sector for Canada; the impact of

current developments in telecommunications on Canadian heritage and broadcasting and specifically on the role of the CBC; a review of issues relating to foreign investment in Canadian telecommunications; a comparison of regulatory frameworks in Canada and in other countries; and a review of the research and development necessary to enhance Canada's competitive position in telecommunications; and

That the Committee present its report no later than December 15, 1995.—(*Honourable Senator Bosa*).

**Hon. Peter Bosa:** Honourable senators, I adjourned this motion yesterday afternoon because I wanted to give an opportunity to some of my colleagues to express their views, if they had any, and because I had not heard all of the remarks that Senator Oliver made in the presentation of his motion. I now understand that no one wishes to speak on this motion.

I have since glanced at the *Debates of the Senate*, and I am convinced that this is a good motion and that it should be allowed to go forward. I am looking forward to reading the report that will result, because I am sure it will be an interesting one.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have also looked at the reference and the very excellent dissertation that was given by Senator Oliver yesterday and, having participated in the examination of Bill C-62, both before and after it came to this place, I can only say that this is a very worthwhile subject. The terms of reference are very broad and very exhaustive, and I know that the committee will have an excellent study and a very interesting time in examining this subject.

Motion agreed to.

## ROUTINE PROCEEDINGS

[*Translation*]

### THE SENATE

IMPACT OF DECISION OF HOUSE OF COMMONS TO CEASE PUBLICATION OF COMMITTEE PROCEEDINGS—NOTICE OF INQUIRY

Leave having been given to revert to Notices of Inquiry:

**Hon. Jean-Robert Gauthier:** Honourable senators, I give notice that on Friday next, April 7, 1995, I will call the attention of the Senate to the decision of the other place concerning the publication of committee proceedings and to the serious impact of that decision on the proceedings of the joint committees of the Senate and the House of Commons, in order to determine whether that decision is in compliance with the constitutional requirements of section 133 of the Constitution Act, 1867.

Since we were not consulted, as far as I know, and given the seriousness of the issue and its constitutional impact, I would like us to discuss that decision in this house.

[*English*]

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Thursday, April 6, 1995**

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

[*Translation*]

## SENATORS' STATEMENTS

### HOUSE OF COMMONS

DECISION TO CEASE PUBLICATION OF COMMITTEE PROCEEDINGS—IMPACT ON BILINGUALISM

**Hon. Gérald-A. Beaudoin:** Honourable senators, I would like to draw the attention of honourable senators to the role of bilingualism in the legislative process in the Parliament of Canada.

[*English*]

Section 133 of the Constitution Act of 1867 provides, *inter alia*, that the English and the French languages shall be used in the respective records and journals of the Senate and of the House of Commons.

[*Translation*]

The French version of the Constitution Act, 1867, uses the following words: "rédaction des archives, procès-verbaux et journaux respectifs du Sénat et de la Chambre des communes."

In the other place, it seems that, as a cost-cutting measure and on a trial basis, the transcript of speeches will be published only in the language in which they were spoken before the committees. This will be the only official version. On request, a transcript will be published of the simultaneous interpretation of speeches. This transcript, however, will have no official status. It seems to me this policy goes against section 133 of the Constitution. It would be worse than a mistake — it would be wrong, as Talleyrand once said.

The Senate must not follow suit.

How could the two legislative bodies in a bilingual federation not publish the official version of speeches and interventions before parliamentary committees in both languages? The Fathers of Confederation wanted a bilingual legislative process, and the Official Languages Act has further enriched this bilingualism. Furthermore, a solid body of constitutional jurisprudence has developed in this area in the past few years.

I earnestly recommend that we follow both the letter and the intent of the Constitution.

I note that my colleague Senator Corbin decided to draw the attention of the house to the general impact of this decision. Today, I am merely touching on one particular aspect. I earnestly hope that this problem will be the subject of an inquiry, and I look forward to taking part in the debate.

### THE SENATE

MR. DUANE WILSON, PAGE—ON THE OCCASION OF HIS RESIGNATION—BEST WISHES FOR FUTURE

**Hon. Jacques Hébert:** Honourable senators, I just heard that one of our Pages, Duane Wilson, will be leaving us today.

[*English*]

Duane has been with us since August of 1993. Having successfully completed his fourth year of a Bachelor of Administration program, he will be returning to Manitoba where he will continue to further his education on a part-time basis. I also understand that he will be getting married in August.

**Hon. Senators:** Hear, hear!

**Senator Hébert:** I should like to thank you, Duane, for the wonderful assistance you have provided. Your efforts and dedication have been very much appreciated.

• (1410)

I also wish to thank you on behalf of all honourable senators. We wish you the best of luck in your studies and offer our congratulations and sincere best wishes for your upcoming marriage.

[*Translation*]

Duane, we will not soon forget your kindness, your good humour and your efficiency both in French and in English, your first language.

[*English*]

**Hon. Noël A. Kinsella:** Honourable senators, I should like to join with my colleague Senator Hébert in extending our best wishes to Mr. Wilson as he leaves us. He has served as a Page to all honourable senators in a distinguished and dignified manner over the past couple of years. We trust that his experience in this chamber will prove promotive to his career.

The Page program is an excellent opportunity and experience for young Canadians to participate in the parliamentary process during their formative years.

We wish to express to you, Duane, our appreciation and thanks, and to wish you all the best. As they say in the academy, "*ad multos annos*."

## CANADIAN BROADCASTING CORPORATION

PAMELA WALLIN—CANCELLATION OF CONTRACT FOR PRIME TIME NEWS MAGAZINE

**Hon. Philippe Deane Gigantès:** Since the Leader of the Government is absent from the chamber for the moment, I hope that the Deputy Leader will transmit this comment to her.

I believe all Canadians will be deprived of the services of someone who has informed us well. I am referring to Pamela Wallin, who was co-host of CBC Prime Time. She is truly an excellent journalist. She was a print reporter for years and knows the job.

Ms Wallin was put in a situation where an executive producer was giving her assignments which were not compatible with her talent. As honourable senators may be aware, executive producers are really not newspersons but really showpersons.

Canada will now be deprived of her services because this particular executive producer did not know how to use her talents and took advantage of the gap between the regimes of two presidents of the CBC to do real damage to the flagship show of the corporation.

I appeal to the Leader of the Government to talk to the Minister of Heritage, before the arm's length relationship becomes too long, and make the suggestion that Pamela Wallin is an excellent reporter and should be restored to her former position, so that Canadians can receive some real information, whereas from Mr. Mansbridge we do not.

The only advantage I found with respect to Mr. Mansbridge was that when he was on at nine o'clock, he helped me get to sleep immediately.

## SENATE FUND FOR GATINEAU FIRE VICTIMS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I want to take a moment to draw the attention of all honourable colleagues once again to the fund established for approximately 150 people who were left homeless as a result of a tragic fire last weekend in Gatineau.

On behalf of the administration, the staff, and most especially Mrs. Eric Berntson, the spouse of the Deputy Leader of the Opposition who is spearheading this effort, I want to report that already $1,500 has been raised in this building alone. I want to give special recognition to the Senate Protective Service Employees Association which, just at noon today, presented Mrs. Berntson with a cheque for $500. I mention that to illustrate the kind of spirit which can be generated in the Senate.

Donations of clothing, appliances and toys would be most welcome, and they can also be brought in over the weekend.

I also invite honourable senators to make a monetary contribution before they leave for the Easter break for this very worthwhile cause.

## NATIONAL FINANCE

TOTAL FEDERAL GOVERNMENT SECURITIES, LOANS AND INTERNATIONAL RESERVES

**Hon. H. A. Olson:** Honourable senators, it has been quite some time since we had a discussion about the total public debt of Canada, or indeed when it was borrowed. Now that we are several months past the date when all the figures are put together, we should place it on the record so that senators know the details.

There are many measures of federal debt and borrowing. One of them, which allows monthly assessment, is the Bank of Canada classification "Government of Canada direct securities and loans — total securities and loans outstanding." This might be referred to more briefly as total federal government securities and loans.

It is interesting to note that in September of 1984 — that is, the month when the previous government took office — the total federal government securities and loans stood at $154,652 million. By November of 1993 — which was at a time when Canada was still in that unfortunate era — this figure was $405,996 million. In other words, during that time the federal government had net issues, or issues less retirements, of $251,344 million.

This categorization is not the only one, and it is not the same as changes in net public debt or the accumulated deficit, but it is a good measure — and one which can be compared — of the amount of new borrowings done by the federal government. I believe it is important that this information be on the record.

Now for the good news: I would also advise the Senate that a communiqué from the Department of Finance arrived in all senators' offices yesterday, announcing that during March Canada's official international reserves increased by an amount equivalent to $277 million in U.S. dollars to a total of $14,807 million. Official government operations also decreased reserves by $638 million.

Details of the level and composition of Canada's reserves can also be found in this communiqué, which I am sure will be of great interest to all members of the Senate, particularly the Leader of the Opposition. They are composed of: $11.5 billion in U.S. dollars; in other foreign currency, $473 million; in gold, $212 million; in special drawing rights, $1.4 billion, and in a reserve position with the IMF, $1.195 billion, making a total of $14,807 million. That is one of the highest levels the reserves have reached for a long time.

# ROUTINE PROCEEDINGS

## DEPARTMENT OF CANADIAN HERITAGE BILL

REPORT OF COMMITTEE

**Hon. M. Lorne Bonnell,** Chairman of the Standing Senate Committee on Social Affairs, Science and Technology, presented the following report:

Thursday, April 6, 1995

The Standing Senate Committee on Social Affairs, Science and Technology has the honour to present its

SEVENTH REPORT

Your Committee, to which was referred the Bill C-53, An Act to establish the Department of Canadian Heritage and to amend and repeal certain other Acts, has, in obedience to the Order of Reference of February 21, 1995, examined the said Bill and now reports the same on division, without amendment, but with the following observation:

Your Committee noted that the Bill raised several concerns, such as the nature and priority of multiculturalism policy and programmes in Canada, that warranted further study. As such, the Standing Senate Committee on Social Affairs, Science and Technology gives notice that it intends to review these issues within one year from today.

Respectfully submitted,

M. LORNE BONNELL
*Chairman*

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*b*), I move that the bill be read the third time now.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

• (1420)

## BUSINESS OF THE SENATE

ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday, May 2, 1995, at two o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**Senator Graham:** Honourable senators, the motion for adjournment was done with the usual conditions of recall. We are taking the same two-week Easter break as the House of Commons. By mutual agreement on both sides of this chamber, the week of April 24 has been designated committee week. I wish to emphasize that point. The following committees have plans to sit that week: Legal and Constitutional Affairs; Social Affairs, Science and Technology; Banking, Trade and Commerce; Energy, the Environment and Natural Resources, and the Special Committee on Euthanasia and Assisted Suicide.

I understand that other committee chairmen are reconsidering their agendas. I encourage all honourable senators to be present for these very important meetings.

Motion agreed to.

## PUBLIC WORKS

FUTURE OF HARBOURFRONT CENTRE—NOTICE OF INQUIRY

**Hon. Consiglio Di Nino:** Honourable senators, I give notice that on Tuesday, May 2, 1995, I will call the attention of the Senate to the failure of the federal government to deal with the future of the Harbourfront Centre, Toronto.

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# QUESTION PERIOD

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—MOTION TO STRIKE SPECIAL COMMITTEE TO INQUIRE INTO PRIVATIZATION CONTRACTS—REQUEST FOR GOVERNMENT RESPONSE

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, now that we have agreed that we will not meet until the first week in May, which is three weeks away, I wish to point out to the Leader of the Government that there is still a matter on the Order Paper which is of great importance to some of us, namely a motion asking for the creation of a select committee to inquire into the Pearson agreements.

It has been over two weeks now since this item first appeared on the Order Paper. Can we anticipate that before we adjourn today, either the leader or a supporter of the government will speak to this motion?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am very conscious of my honourable friend's motion. I should indicate to the honourable senator that it has not been, nor is it, my intention to stall this motion, which is properly recognized by him and by Senator MacDonald.

I am not in a position to speak on this motion today. However, I understand from my honourable friend's speech that there are others on his side who may wish to speak on this motion, as well as senators on this side. I will certainly be in a position to speak to the motion when we return.

**Senator Lynch-Staunton:** Honourable senators, this is an important question not only to us but also to more and more Canadians. If, after two and one-half weeks of being faced with this motion, the government is not prepared to speak to it, can that be interpreted as the government perhaps resigning itself to a call for a vote? If so, perhaps we could vote on it now and dispose of the motion.

**Some Hon. Senators:** Hear, hear!

**Senator Fairbairn:** Honourable senators, I would not agree with my honourable friend, as we are not resigned one way or the other. I have a desire to participate in this debate, both on behalf of the government and personally, but I am not in a position to do so today. However, I will be in a position to do so when we return.

**Senator Lynch-Staunton:** Without pinning down the Leader of the Government, can we all assume that when we return on May 2, we will have a response on that day from the government so that we can proceed to a decision as soon as possible?

Honourable senators, what if the government refuses an inquiry? The Senate of Canada is the last resort for citizens who have been maligned by the Minister of Transport and others but require and need a forum to defend themselves. This is their last resort. Let us get on with it. The government must either be for it or against it. A decision must be taken. We could force a decision now, but we will not do that. However, when we return, we will.

PEARSON AIRPORT AGREEMENTS—FUNCTION OF PRIME MINISTER AT MEETING WITH MATTHEWS GROUP

**Hon. Gerry St. Germain:** Honourable senators, my question to the Leader of the Government in the Senate is one of clarification. It relates to "Pearsongate" and the meeting which allegedly took place — as indicated by the Prime Minister by virtue of his responses in the other place — and, further, to the statements of Mr. LaBarge, who said that Mr. Matthews and the Prime Minister were left alone for 30 minutes. The Prime Minister said in the other place that he was not acting as a lawyer. For clarification, I wish to know: Was he acting as a consultant, a lobbyist, or a bagman for his own campaign?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will ignore the last part of my honourable friend's question. As for the first part, it has been made clear by Mr. Chrétien, the Prime Minister of Canada, that he did not discuss the privatization of Pearson airport with Mr. Matthews. The meeting he attended was organized by someone else. It was not his meeting. He did not discuss the issue of the Pearson airport privatization with Mr. Matthews. That is his statement, and I stand behind that statement.

• (1430)

PEARSON AIRPORT AGREEMENTS—PUBLIC INQUIRY—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, in view of the fact that there are conflicting statements on this matter, does the Leader of the Government not think that now is the time to go forward with a public or judicial inquiry, something with which the Minister of Transport threatened this side of the house?

Several people have made statements about this matter. There was Mr. LaBarge, as well as Mr. Wright from Lang Michener. Mr. Goldenberg, who also worked at the firm at the same time, has made a statement, as did Prime Minister Chrétien, who was part of the same law firm at the time. The reputations of the people involved are at stake, particularly the reputations of civil servants who put this deal together.

On numerous occasions, we on this side of the house have asked for an inquiry to clear, if nothing else, the names of those civil servants who worked in good faith to bring forward an honest and honourable agreement. Does the Leader of the Government not think it is now time to go forward with some form of public or judicial inquiry?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend again places emphasis on a particular meeting, a particular law firm and a particular group of participants at that meeting. It has been gone over time and again. I simply repeat the words of the Prime Minister, as I have done before: He was in attendance at a meeting. He did not discuss the issue that is consuming this house.

With regard to the question of an inquiry, my honourable friend knows that the preoccupation of the government has been, and certainly remains, the passage of Bill C-22.

Another aspect to this matter was raised by my honourable friend, the Leader of the Opposition, in his motion before this house. As I have said, I understand the desire of my friends on the other side to reach an early conclusion on that motion. After we return, I may not hold myself to the May 2 date requested by my honourable friend, but I will certainly aim for it and, if not that date, immediately thereafter.

TIMING OF VOTE ON MOTION TO STRIKE SPECIAL COMMITTEE—REQUEST FOR RESPONSE

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, the Leader of the Government has complete discretion to reply on whatever date that she chooses. However, we have an obligation to force a vote on a date of our choosing.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, in regard to my honourable friend's comment, if that is the date of his choosing, then we will respond on that date.

**Senator Lynch-Staunton:** We are getting into a debate, Your Honour, and I apologize.

Honourable senators, we are not choosing a date. We have a motion on the Order Paper, where it has been for two-and-a-half weeks. The Leader of the Government, who is responsible for replying on behalf of the government, has said she will not even be ready in three weeks from now. We are saying that if no one is ready on her side, then let us get down to taking a decision on the issue. Whether it is that day or the day after, we are ready for a vote. We are ready to take a vote on it now, since no one on the opposite side is willing to speak to it.

**Senator Fairbairn:** Honourable senators, as I said earlier, there are individuals on this side of the house who are preparing to say a few words on the motion of my honourable friend. It is my desire to speak on the issue on behalf of the government. We will do so as soon as we get back.

**Hon. Lowell Murray:** Honourable senators, we, of course, look forward to the leader's speech. In the meantime, because she has had ample opportunity to think about a response, and because the government has had ample opportunity to consider it, can she send us home today with a word as to the government's attitude to this motion? Is it yes or no?

**Senator Fairbairn:** Honourable senators, I will take advice from Senator Olson, who says that what is required is patience.

My honourable friend will concede that, whereas this matter may be a question of a yes, no or maybe on his side, it is a complicated issue. As my honourable friend will understand, it is an issue that requires thought and consultation with colleagues. I am conscious of the anxiety of this house to get on with it. It has been on the Order Paper for two-and-a-half weeks. I have no desire to prolong the issue. I will be in a position to respond to the motion when we get back.

## CANADIAN HERITAGE

CANADIAN BROADCASTING CORPORATION—
CANCELLATION OF CONTRACT OF PAMELA WALLIN WITH
PRIME TIME NEWS MAGAZINE—GOVERNMENT POSITION

**Hon. Orville H. Phillips:** Honourable senators, in the past, the Leader of the Government has been a great supporter of equal employment opportunity and equal pay for women, a position which I think most members of this chamber support. Last week, Pamela Wallin announced that her contract with the CBC had been cancelled or broken, while that of her co-host, Peter Mansbridge, was not broken. I think most Canadians feel that both of them should have been broken. Pamela Wallin indicated that she was seeing a lawyer to seek legal advice. I presume that will be followed by a claim for damages as a result of the broken contract. Can we expect Bill C-22-type legislation to settle Ms Wallin's claim?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, like any member of this house, I am not familiar with or knowledgeable about the background of the recent events involving the participants in *Prime Time News* and *Prime Time News Magazine*. Therefore, I would not presume to comment on Pamela Wallin's legal position or what action may be taken.

One comment I will make, though, and I make it with some feeling, is that Ms Wallin has made a tremendous contribution to journalism in this country, both written and broadcast. It is my hope that the people of Canada will see her in the months ahead continuing to use her talent and ability in a prominent capacity on television.

**Senator Phillips:** Honourable senators, I am surprised that the Leader of the Government would want to deprive one of her fellow journalists of advantages such as those provided in Bill C-22, which include limited access to the courts and limited compensation. She seems to find that an advantage in Bill C-22. Why would it not be an advantage for Pamela Wallin?

**Senator Fairbairn:** Honourable senators, I have every confidence, not just in Pamela Wallin's journalistic skills and abilities, but also in her capacity to handle her negotiations and her professional concerns. I wish her well.

[*Translation*]

• (1440)

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—REQUEST FOR ANSWERS

**Hon. Pierre Claude Nolin:** In recent weeks, and particularly during this week which is drawing to an end, the Leader of the Government in the Senate took a number of questions under advisement concerning all the problems with the development of the Toronto airport. When might we expect answers to these questions?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** I am pleased to tell my patient friend that my colleague has a fistful of answers which he will table later today. The answers to some of the questions that have been asked this week will not be in that pile, but there are approximately 13 answers. During the break, as we receive the answers to the other questions on this particular issue, I undertake to forward them to my honourable colleagues.

REMOVAL OF EMERGENCY RESPONSE CAPABILITY
FROM SMALLER AIRPORTS—DIFFERENCE IN STANDARDS OF SAFETY—
GOVERNMENT POSITION

**Hon. Gerald J. Comeau:** Honourable senators, my question is also for the Leader of the Government in the Senate and relates to the question raised by my colleague Senator Di Nino yesterday regarding the elimination of firefighters at Canadian airports.

I, too, was shocked to learn that the Liberal government has ordered the removal of firefighters at 15 airports across the country. By cutting essential emergency response services at smaller airports, including Yarmouth airport in my area of Nova Scotia, the government has put in jeopardy the safety of the travelling public.

These airports will now be regulated to meet only the very minimum of Transport Canada's standards and requirements, as opposed to the more stringent ICAO rules that the larger international airports must follow. Depending on the municipal services to be provided, fire protection at many airports in Canada will place an unfair burden on these local services and threaten public safety.

Given that the Minister of Transport refuses to discuss any issues with senators, will the Leader of the Government advise honourable senators if what the government has now embarked upon is a system of double standards? In other words, depending on which airport is used, travellers may receive economy rather than first-class safety?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, let me say clearly that safety at federal airports will continue to be a top priority for the government. There is no question about that. Colleagues in this house should know that, and people across the country should know that. I would add that among the small airports affected by this policy is the airport in Lethbridge, Alberta, which is my hometown.

I understand from the information I have received that the criteria which will be applied to the smaller federal airports are the same criteria which are currently applied to non-federal airports in order for them to receive certification. I have also been informed that Transport Canada has conducted consultations with the industry and with the airport stakeholders to develop regulations for emergency responses and emergency response services at all certified Canadian airports, regardless of ownership.

In the future, the federal government will be regulating the level of emergency response services necessary at each airport, and this will be a requirement for certification. The same criteria are applied equitably and consistently across the country.

## PUBLIC WORKS

RENOVATION OF WINDOWS AT LESTER B. PEARSON BUILDING—
CANCELLATION OF CONTRACT—GOVERNMENT POSITION

**Hon. Consiglio Di Nino:** Honourable senators, yesterday, I enquired about a response to a previous question I had put to the Leader of the Government in the Senate on February 14, 1995. Frankly, having reread the *Debates of the Senate* for that day, I am not sure that it is quite clear exactly what it is that I was hoping to hear from the government. Perhaps I may rephrase the question in a clearer manner.

Within the last three months or so, the Department of Public Works cancelled a contract for renovating the windows at the Lester B. Pearson Building, the headquarters for the Department of Foreign Affairs. It is the details of that particular contract which I would ask the Leader of the Government in the Senate to provide, if she would be so kind.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I apologize for not having a response to the honourable senator's question of February 14. However, I will take the expanded question and seek out that information for him.

## POST-SECONDARY EDUCATION

INCREASES IN UNIVERSITY TUITION FEES IN NEWFOUNDLAND—
GOVERNMENT POSITION

**Hon. Ethel Cochrane:** Honourable senators, the Leader of the Government may not be aware that the government of Newfoundland and Labrador reduced its funding for post-secondary education by 2.2 per cent in its budget last month. This cut comes prior to the reduction in federal transfer payments to the provinces which are scheduled for 1996-97 and 1997-98. Obviously there will be further cuts in education funding in the years to come.

Once again, I ask the Leader of the Government for the government's estimates of the amount of tuition fee increases students can expect to face over the next three years.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the question my honourable friend has just asked is a very difficult one. I do appreciate her concern. The honourable senator has been extremely faithful in speaking out and supporting the cause of education in her province. I will take her question and try to provide an answer that will be useful.

**Senator Cochrane:** The federal government is also limiting its funding of scholarship programs. What are the estimates of the amount of debt load which students will face in the future when they graduate, taking into account the expected tuition fee increases?

**Senator Fairbairn:** I will take that question as notice as well, honourable senators. My honourable friend will know that this has been a roller-coaster year of discussion on these issues of post-secondary debate. The discussion and the debate is by no means over.

Indeed, the issue of income-contingent repayment is still a part of that discussion. It is also of great concern that students have an opportunity to pay their loans in a way that gives them the greatest opportunity to get their lives in order after they graduate. Those are questions that are very much current, and they will remain so over the next several months going into the fall.

## GOODS AND SERVICES TAX

FAILURE OF GOVERNMENT TO ABOLISH TAX—
TIMING FOR RESIGNATION OF DEPUTY PRIME MINISTER

**Hon. J. Michael Forrestall:** Honourable senators, no matter what happens with respect to Pamela Wallin, I still like Mrs. Pringle.

The present situation reminded me, though, of another event in which Ms Wallin participated some 535 days ago now. There was a "town hall meeting" conducted by CBC just eight days prior to the last election, at which time the now Deputy Prime Minister, without equivocation, said:

> I have already said personally and directly that if the GST is not abolished, I'll resign. I don't know how clear you can get. I think you gotta be accountable for the things that you say you're going to do, and you have to deliver on them.

I could not agree more with the Deputy Prime Minister. Inasmuch as it is now 535 days since that statement was made, and the government still does not seem to have an answer to the GST, other than to continue to embrace it in one form or another, when will the Deputy Prime Minister resign?

• (1450)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I certainly would not wish the Deputy Prime Minister to be in a position of having to resign. We want her to stay. My honourable friend will know that that commitment was made by the Prime Minister. That commitment will be kept by the government.

**Senator Lynch-Staunton:** When?

**Senator Fairbairn:** My honourable friend asks when. I cannot give him a date.

**Senator Lynch-Staunton:** You said within two years. It is in the book.

**Senator Fairbairn:** Honourable senators, one of the underpinnings to the issue of getting rid of the GST and working out a method whereby the Government of Canada will have access to comparable resources is that it will, in this case, be done through consultations with the provinces, which was not the case leading up to the GST. As my honourable friends know, discussions are ongoing between the Minister of Finance and his provincial colleagues. The commitment will remain, the Deputy Prime Minister will remain, and the GST will be gone.

**Senator Lynch-Staunton:** Honourable senators, I suggest that the Deputy Prime Minister will not remain but the GST will.

**Senator Fairbairn:** Honourable senators, if I were a betting person, which I am not, I would make a wager, but I have every confidence in the political longevity of my friend from Hamilton.

## PUBLIC WORKS

### HARBOURFRONT, TORONTO—CLOSING DUE TO FUNDING CUTS—GOVERNMENT POSITION

**Hon. Stanley Haidasz:** Honourable senators, I should like to pose a question to the Leader of the Government in the Senate. I am not only saddened, but shocked, as are many other Torontonians and people across Ontario, that a world-class cultural centre, Harbourfront, Toronto, will have its budget cut by $2 million, as we learned in a letter from the Minister of Public Works to the Chairman of the Board of Harbourfront. The Chairman of Harbourfront has said that the cuts will ruin their programs for this year and they will have to close by September 15. They will also have to cancel a visit of their Imperial Majesties of Japan, who were supposed to take part in some cultural events at Harbourfront. That is very embarrassing to Canadians and should be embarrassing to the government.

Further, the President of the Treasury Board has said that it is not all true, only that there will be no money next year from the Ministry of Public Works. Can the Leader of the Government in the Senate clarify these conflicting views and represent Torontonians at cabinet, on behalf of us senators, in order to keep Harbourfront going?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as you are aware, the Harbourfront Centre will be provided with $6 million in 1995-96. My honourable friend has asked me to clarify comments by the President of the Treasury Board and perhaps the Minister of Public Works. I will be pleased to do that for him. Harbourfront Centre has been a very important fixture in the great city of Toronto for many years. I will be very pleased to pursue the matter with my colleagues.

**Hon. Consiglio Di Nino:** Honourable senators may be aware that an independent study has concluded that Harbourfront Centre provides some $126 million in economic activity to the city of Toronto. These independent studies indicate that the Government of Canada, through taxation resulting from the activities at Harbourfront Centre, would earn well in excess of the some $8 million in contributions it has made in the past number of years. Harbourfront is, by the way, one of the top ten tourist attractions in the country.

The voters of the Metropolitan Toronto region, the region served by Harbourfront, elected 23 Liberal Members of Parliament in the last election. Is this their reward for having decided to support the Liberal Party?

**Senator Fairbairn:** Honourable senators, as I said to Senator Haidasz, I will be pleased to seek clarification from my colleagues as to the exact nature of the situation in Toronto. My honourable friend can rest assured that all 23 members from Metropolitan Toronto have expressed a great interest in this issue.

**Senator Di Nino:** Honourable senators, I have neither seen nor heard any of them on this point since Monday when the Chairman of Harbourfront announced the decision of the board, which was regrettable but absolutely necessary, in my opinion. If my honourable friend has some information to the contrary, that any of the 23 members of Parliament from Metropolitan Toronto has said something in support of Harbourfront, I would like to know about it.

**Senator Fairbairn:** I can tell my honourable friend that I have certainly heard about it.

**The Hon. the Speaker:** Honourable senators, Honourable Senators Haidasz and Corbin have indicated that they wish to ask further questions. Although the time for question period has expired, is it agreed that we conclude with those two senators?

**Hon. Senators:** Agreed.

**Senator Haidasz:** Honourable senators, before we commence our Easter break, I would like to tell the Leader of the Government in the Senate that there are many senators here from Toronto and other places who would like the government to reconsider the $2 million cut in the budget of Harbourfront.

**Senator Fairbairn:** For many years, Senator Haidasz has been a very strong and outspoken supporter of the city of Toronto and the activities in that city. I will be pleased to pass on his representations and requests to my colleagues.

## CANADA COUNCIL

CLOSURE OF ART BANK—GOVERNMENT POSITION

**Hon. Eymard G. Corbin:** Honourable senators, I apologize for rising at this time on this question, but since we are on the topic of art and culture, and since we are not returning before May 2, I should like to ask the Leader of the Government if the decision to close the Art Bank of the Canada Council was imposed by the government.

If that is the case, could a directive go forward to the Canada Council to reconsider that decision, since the Art Bank is the only activity in that shop that has actually paid its way? The Art Bank served Canadian artists from the Arctic to the Atlantic to the Pacific and was one of the greatest resources ever put at their disposal. It was the idea of the wife of a former colleague of ours, Madam Suzanne Le Moyne. I think it is a shame that the activities of the Art Bank have been cancelled. It is a great loss for the Canadian artistic community.

• (1500)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to follow up on that question. Given the length of our break, I will provide an answer during the next three weeks.

**The Hon. the Speaker:** Honourable senators, I understood the agreement to be that Question Period was to end. There were two senators standing, and their questions would conclude Question Period.

**Hon. Nöel A. Kinsella:** I understood the agreement was that I was the last.

**Senator Di Nino:** Ask a supplementary.

**The Hon. the Speaker:** I already had two senators standing at the time, but if there is agreement, the honourable senator may proceed.

**Hon. Senators:** Agreed.

## TRANSPORT

ABANDONMENT OF HOLDINGS ON PARTRIDGE ISLAND, NEW BRUNSWICK—GOVERNMENT POSITION

**Hon. Noël A. Kinsella:** The people of Saint John, New Brunswick, which as you know is the oldest incorporated city in Canada, have informed my office that apparently Transport Canada is declaring as surplus parts of its holdings on Partridge Island, which is an island in Saint John Harbour. Given the good working relationship that the Senate has with the Minister of Transport, the Leader of the Government would be in a better position than I to discover from that department exactly what it is they are abandoning.

Partridge Island has tremendously important historical value to the city of Saint John. It is where Irish immigrants were quarantined when they arrived from overseas. It is something about which the citizens of Saint John are concerned.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be happy to help my friend, but I believe he undersells himself. I believe he has a good working relationship with the Minister of Transport.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a number of delayed answers. I have responses to questions raised in the Senate on December 15, 1994 by the Honourable Senator Richard Doyle and the Honourable Senator John Lynch-Staunton regarding the tunnel between the East Block and the Centre Block; to questions raised in the Senate on February 14, 1995 by the Honourable Senator Pierre Claude Nolin and the Honourable Senator Consiglio Di Nino regarding the decision to build a new federal building in Sault Ste. Marie; to questions raised in the Senate on February 16, 1995 by the Honourable Senator Pierre Claude Nolin and the Honourable Senator John Lynch-Staunton regarding the construction of the East Block tunnel; to questions raised in the Senate on March 28, 1995, by the Honourable Senator Norman Atkins, the Honourable Senator John Lynch-Staunton, and the Honourable Senator Pierre Claude Nolin regarding the Pearson International Airport; to questions raised in the Senate on March 29, 1995 by the Honourable Senator John Lynch-Staunton, the Honourable Senator Lowell Murray, and the Honourable Senator Pierre Claude Nolin; and to questions raised in the Senate on March 30, 1995 by the Honourable Senator Consiglio Di Nino and the Honourable Senator Pierre Claude Nolin regarding Pearson International Airport.

**Hon. Lowell Murray:** Would the deputy leader read the replies to the questions asked by the Leader of the Opposition and myself on March 29?

## TRANSPORT

PEARSON AIRPORT AGREEMENTS—AUTHORSHIP OF DEPARTMENTAL REPORT—REQUEST FOR CLARIFICATION

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** The report was prepared by the then Associate Deputy Minister and the Senior Advisor of Operations and Coordination, Airport Group. Its distribution was authorized by the Associate Deputy Minister.

PEARSON AIRPORT AGREEMENTS—VERBAL STATEMENTS OF MINISTER OF TRANSPORT—REQUEST FOR WRITTEN CONFIRMATION

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** In June 1993 the then Deputy Minister of Transport was reassigned on very short notice, and previous to that time the Assistant Deputy Minister, Airports Group was reassigned to other duties for a period of time by the then Deputy Minister. Neither of these officials participated in the drafting of the brief submitted to Mr. Nixon.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I ask that the Deputy Leader also read the response to questions raised in the Senate on March 30, 1995 by the Honourable Senator Consiglio Di Nino and the Honourable Senator Pierre Nolin regarding the Pearson International Airport. I hope they will be more substantial than the previous one.

PEARSON INTERNATIONAL AIRPORT—CANCELLATION OF LEASES PREVENTING REDEVELOPMENT OF TERMINALS 1 AND 2—GOVERNMENT POSITION

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** We cannot proceed with a new lease, as there are outstanding legal and financial impediments, as per our response tabled on March 22, 1995.

As for generating income, the subleases have not generated any income as they have not been recognized by the government.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I do not know whether I can debate written answers, but I must say the government is really stretching it a bit when it comes up with these canards and fallacious answers regarding the inability of the Government of Canada to come into an agreement with the Greater Toronto Regional Airport Authority. There are no legal impediments. I know I am probably out of order, but if that is the kind of written answer we are getting from the government, I would suggest they not bother to answer.

## PRECINCTS OF PARLIAMENT

TUNNEL BETWEEN EAST BLOCK AND CENTRE BLOCK—REQUEST FOR INFORMATION

*(Responses to questions raised by Hon. Richard J. Doyle on December 15, 1994.)*

1. Tenders for the tunnel and watermain project closed January 26, 1995. There were thirteen bidders. The bid amounts were:

| | |
|---|---|
| $2,187,600 | $2,476,000 |
| $2,249,000 | $2,488,000 |
| $2,298,000 | $2,599,000 |
| $2,348,000 | $2,722,197 |
| $2,366,000 | $2,779,740 |
| $2,379,000 | $2,898,388 |
| $2,467,000 | |

A contract in the amount of $2,187,600 was awarded to Tristan Construction Limited — the lowest bidder — for the construction of the tunnel and replacement of a defective watermain. On February 13, 1995, the Minister of Public Works and Government Services Canada announced that the contract would be cancelled.

2. PWGSC received Effective Project Approval, for this project, from the Treasury Board in August 1994. As with all major construction projects, strict limits are placed on expenditures to ensure that project authority limits are respected.

3. No work is being undertaken in this area, at this time, due to the cancellation of the tunnel/watermain project. Should any future work be planned for this area, the Senate will be fully briefed in advance.

4. Yes, the utility tunnel continues to be used as a utility tunnel, with access being allowed only to trained maintenance personnel, following prescribed procedures.

5. The tunnel was intended to be completely underground.

*(Response to question raised by Hon. John Lynch-Staunton on December 15, 1994)*

The East Block Tunnel was originally an aspect of the 1910 Wing project. However, its construction was temporarily deferred. Final Treasury Board approval, for the construction of the tunnel, was granted to Public Works and Government Services Canada on August 2, 1994.

Consultation regarding the tunnel took place:

- In the original presentations of PWGSC's Long Term Construction Plan (supported by the Senate December 12, 1991)
- January 18, 1994 before the Subcommittee on Agenda and Procedure (Chaired by Senator T. Lavoie-Roux);
- March 24, 1994 before the Subcommittee on Agenda and Procedure (Chaired by Senator T. Lavoie-Roux);
- Notification August 18, 1994 to all Senators of final approval for the tunnel and intention to proceed (letter from Senator Earl Hastings, Chairman on Internal Economy, Budgets and Administration).

There was no consultation with Senators before the cancellation of the project was announced by the Minister, PWGSC.

## PUBLIC WORKS

DECISION OF MINISTER TO BUILD NEW FEDERAL BUILDING IN SAULT STE. MARIE—REQUEST FOR DETAILS OF CONTRACT

*(Response to questions raised by Hon. Pierre Claude Nolin on February 14, 1995)*

**This figure is based on the following:** Once the move to the new facility is completed, the Government will realize annual net savings of $457,900. This is made up of: avoidance of lease payments of $857,000 minus the operating and tax costs for the new facility of $399,100.

More specifically, the current accommodations for the Royal Canadian Mounted Police (RCMP) and the Department of Human Resources Development (HRD) in Sault Ste. Marie are inadequate: RCMP have extensive security requirements including temporary cell facilities, secure parking and secure garage bays for prisoner loading. HRD has a ground floor requirement of 820 $m^2$.

There is **no facility** currently in the market to meet these requirements. No acceptable responses were received to a recent lease tender call. A subsequent market survey confirmed that the existing space in the lease market could not meet the accommodation requirements. The cost of constructing a new crown building is $11.9 million.

Extensive renovations would have to be made to any existing facility. As an illustration, if the Government were to acquire and renovate the current building at 390 Bay St., it would have cost the government $12,424,000 — as compared to the $11.9 million for the currently planned new facility. These costs include the purchase of the building and extensive alterations and replacements to the electrical and mechanical systems, major upgrades for handicapped accessibility, removal and proper disposal of PCBs, and the construction of an addition to the building to meet tenant space requirements. Further, purchase of this building would require PWGSC to temporarily relocate the Canada Employment Centre currently located in the facility, thereby incurring large fitup and lease costs.

**Additional savings** are anticipated from the consolidation through increased operating efficiencies.

*(Response to questions raised by Hon. Consiglio Di Nino on February 14, 1995)*

The contract for construction has not yet been let. At this point, the project has not yet entered the tendering phase, and will not without prior approval from the Minister. Construction estimates cannot be released by the department prior to contract award.

RECONSTRUCTION OF EAST BLOCK TUNNEL—STATUS OF PROJECT

*(Response to question raised by Hon. Pierre Claude Nolin on February 16, 1995)*

On February 13, 1995, the Minister of Public Works and Government Services Canada announced that the contract for the new pedestrian tunnel would be cancelled.

DETAILS OF COSTS INVOLVED IN CANCELLATION OF PROJECT

*(Response to question raised by Hon. Pierre Claude Nolin on February 16, 1995)*

The cancellation costs with the construction company are still under negotiation.

CONSULTATION WITH INTERNAL ECONOMY COMMITTEE ON CANCELLATION OF PROJECT

*(Response to question raised by Hon. John Lynch-Staunton on February 16, 1995)*

No.

CANCELLATION OF PROJECTS WITHIN PARLIAMENTARY PRECINCTS—GOVERNMENT POSITION

*(Response to question raised by Hon. John Lynch-Staunton on February 16, 1995)*

The long term construction program is essential for the preservation of the Parliament Buildings and will not be cancelled.

However, to minimize the burden on our fiscal framework, the government is spreading these projects over a ten to twelve year period. As the government turns its attention to fighting the deficit, PWGSC is reviewing the relative priorities of the projects which make up the $265 million construction program in order to deal with the most critical projects and to have an allowance for unforeseen emergencies.

The Post Office area in the Centre Block was recently vacated for the construction of a new visitor welcome centre. PWGSC is designing and constructing this project on behalf of the House of Commons. Any questions regarding the visitor welcome centre should be addressed to the Speaker of the House of Commons.

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—INFLUENCE OF GOVERNMENT ACTIONS ON ATTRACTING FUTURE BUSINESS

*(Response to question raised by Hon. Norman K. Atkins on March 28, 1995)*

Transport Canada officials briefed Mr. Robert Nixon on several occasions regarding the T1T2 Limited partnership contracts. One briefing document contained a Transport Canada analysis of the monetary risk of cancelling the contract.

PEARSON INTERNATIONAL AIRPORT—DELAY IN REDEVELOPMENT OF TERMINALS 1 AND 2—GOVERNMENT POSITION

*(Response to question raised by Hon. John Lynch-Staunton on March 28, 1995)*

The government did not delay in creating the Greater Toronto Regional Airport Authority. Once it became evident that there would be a delay in passing Bill C-22 in the

Senate, the government encouraged the establishment of the Authority, to act in an advisory capacity. It is not possible to negotiate the future financial terms and conditions of a lease agreement with the Authority when the potential liabilities of Pearson Airport are still outstanding vis-a-vis the leases and other agreements tied to the previous government's decision to turn over the control and management of the two terminals to private enterprise. The delay of essential works and jobs at Pearson International Airport is a result of the delay in passing Bill C-22.

*(Response to question raised by Hon. Pierre Claude Nolin on March 28, 1995)*

As outlined in the response provided on March 22, 1995., the passage of Bill C-22 would eliminate all impediments to the development of Terminals 1 and 2. The transfer of control to the non-profit airport authority and the subsequent redevelopment cannot proceed until Bill C-22 is finally passed into law.

The National Airports Policy announced by the Minister of Transport last July established the policy whereby airports in this country will be managed, operated and developed by the people who are best equipped to so do. The Greater Toronto Regional Airport Authority, which presently can only advise the Minister of Transport, will be the body to implement change at Lester B. Pearson International Airport. That body, a non-profit group whose interests are clearly established to create the best environment for the growth and prosperity of this important facility, is ready to undertake the task before it. It would not be appropriate for the government to tie the hands of the Authority before it even commences their stewardship.

PEARSON AIRPORT AGREEMENTS—INSTRUCTIONS TO MR. NIXON ON HIS MANDATE TO REVIEW—GOVERNMENT POSITION

*(Response to question raised by Hon. John Lynch-Staunton on March 29, 1995)*

Those notes were written and authorized prior to November 4, 1993. The Minister of Transport was sworn in on November 4, 1993. As Senator Lynch-Staunton pointed out in his question, "**on October 28, the Conservative government was still in office**". The vast majority of work that went into the November 4, 1993 Department of Transport report was done well prior to October 28, 1993.

PEARSON INTERNATIONAL AIRPORT—REDEVELOPMENT OF TERMINALS 1 AND 2—REQUEST FOR INFORMATION

*(Response to question raised by Hon. Pierre Claude Nolin on March 29, 1995)*

The following is the full text of the exchanges in the House of Commons on March 28, which provide the exact words of the Minister of Transport, and the full context in which they were said.

**Mr. Ed Harper (Simcoe Centre, Ref.)**: Mr. Speaker, my question is for the Minister of Transport.

It has been widely reported that the minister's own officials had prepared an extensive analysis of the Pearson airport transaction prior of its cancellation. It clearly established that the selection process was fair and transparent. It ruled out any role of patronage and indicated that the deal was much better in terms of returns to the government than anything the government's own advisers said could be expected.

Can the minister confirm that this document dated November 1993 exists, that he read it and that he passed it on to Mr. Nixon for his review?

**Hon. Douglas Young (Minister of Transport, Lib.)**: Mr. Speaker, unfortunately for the Reform Party, we do not have Stephen Leacock working at Transport Canada.

**Some hon. members**: Oh, oh.

**Mr. Young**: I can say that the report in question, which was dated November 4, and an earlier report had been prepared prior to my becoming the Minister of Transport. I want to indicate to the hon. member that nowhere in that report did it indicate that the deal was one that should be supported by the government.

**Mr. Ed Harper (Simcoe Centre, Ref.)**: Mr. Speaker, can the Minister of Transport confirm that he read the Nixon report? If he did, did he advise the Prime Minister that it contradicted entirely the advice and analysis of the government's own officials and an outside adviser?

**Hon. Douglas Young (Minister of Transport, Lib)**: Mr. Speaker, it is a rather pathetic sight to see Reform Party members who talk of trying to save money for the Canadian taxpayer and who are very concerned about getting the facts bring up a matter like this. Not only did I read the report but I also read the Nixon report.

What the hon. member might be better off doing is checking with the staff at Transport Canada, including the deputy minister and assistant deputy minister, who were not privy to writing the report. Not only that, they were sent home because the government that was there at the time the deal was done did not like the kind of advice it was getting from senior public servants at Transport Canada.

*(Response to question raised by Hon. Pierre Claude Nolin on March 29, 1995)*

The government reviewed many documents, including this one, as well as the Nixon Report, before making its decision.

*(Response to question raised by Hon. Pierre Claude Nolin on March 29, 1995)*

No new financial figures were developed. If the figures in the November, 1993 document are reviewed, it will be discovered that the Crown construction option could be as lucrative as the private sector option, depending on the revenue growth. The private sector had obviously projected a high revenue growth, in part, no doubt due to their expected monopoly position.

*(Response to question raised by Hon. Pierre Claude Nolin on March 29, 1995)*

The profit of the two terminals calculated at the time of the deal was entered into was approximately $23.5 million to the government. Revenues have been growing since then, due to the growth in passenger traffic and this government's initiatives, including the announcement of the Canada/U.S. Air Bilateral.

*(Response to question raised by Hon. Pierre Claude Nolin on March 29, 1995)*

This government does not intend to hand over the most important economic generator in the National Airports System to a profit-oriented enterprise who would have had in effect monopoly control of this facility. The National Airports Policy, and its Canadian Airport Authorities, will serve the taxpayers of Canada and the users of Lester B. Pearson International Airport fairly and properly into the next century.

PEARSON AIRPORT AGREEMENTS—
TRANSPORT CANADA STUDY—REQUEST FOR PARTICULARS

*(Response to question raised by Hon. Consiglio Di Nino on March 30, 1995)*

Mr. Nixon received much information from the department and from all parties, including the proponents of T1T2 Limited Partnership. The document entitled "Terminal 1/Terminal 2 Privatization" and dated November 4, 1993, was a particular document prepared by the Department of Transport officials, which document was filed in the court in December 1994 and tabled in the House of Commons on March 25, 1995 by the Minister of Transport. Mr. Nixon reviewed the documents provided to him by various sources, prepared his report and presented it to the Prime Minister who made it public on December 3, 1993.

# ORDERS OF THE DAY

## ALTERNATIVE FUELS FOR INTERNAL COMBUSTION ENGINES BILL

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the eleventh report of the Standing Senate Committee on Energy, the Environment and Natural Resources (Bill S-7, to accelerate the use of alternative fuels for internal combustion engines, with amendments), presented in the Senate on 5th April, 1995.—(*Honourable Senator Kenny*).

**Hon. Colin Kenny** moved the adoption of the report.

He said: Honourable senators, I rise with a certain amount of humility and gratitude. I must say that I have received an awful lot of help in getting to this day. I should like to start by mentioning Senator Nolin in particular, who has been of great assistance with Bill S-7, as has Senator Ghitter. Senator Fairbairn and Senator Graham have also expedited things on our side.

The committee, including Senator Bacon, Senator Spivak, Senator Hays, Senator Adams, Senator Balfour, Senator Buchanan, Senator Ottenheimer, and, of course, our chairman Senator Carney, have been very helpful and very patient in moving this issue forward.

I also thank the leadership on the other side for their cooperation which has come from time to time. I want them to know that it has been appreciated.

I should also like to thank some senators here who are not on the committee: Senators Stollery, Petten, Lucier, Lewis, and Thériault, who helped finance a lot of the research that was required for this bill. They provided funds out of their research budgets to assist in moving this measure forward.

• (1510)

I would be remiss if I did not mention some of my staff who have been very helpful. They are Donna Routliffe, Jennifer Ryan and Gail Carroll of my office. I see in the gallery Pamela Huneault who did a great deal of work on the initial research for this bill.

Honourable senators, I will start by observing rule 100 of the *Rules of the Senate* and comment on the amendments which were put forward. The first amendment is as a result of an oversight on my part in drafting the bill. Internal combustion engines were referred to in the bill. Inadvertently, that excludes electricity as a fuel. As a consequence, we adjusted the phrase "internal combustion" to "motor vehicles" to ensure that we did not exclude one of the important alternative fuels.

The second amendment is the addition of the words "thereby promoting the replacement of petroleum-based fuels for transportation." This was in response to a brief from the Canadian Petroleum Institute which was not supportive of the bill. However, after hearing this presentation, the committee concluded that we should make clear that one of the objectives of the bill is to get away from the use of oil and to diversify fuels. We have made that as clear as we could by adding these words.

The next amendment relates to the words "to deliver direct propulsion energy" and was to accommodate electric motors which, inadvertently, was excluded.

The next amendment reads "thereby promoting the replacement of petroleum-based fuels for transportation." Again, this was in response to the refiners. We wanted to make the point that we were certainly trying to move away from gasoline.

The next amendment replaces the word "motors" for "internal combustion engines."

The final amendment was proposed by the chairman of the committee and relates to page 3, lines 24 and 25, where words were added to ensure that the Treasury Board would consult different interest groups before proceeding with regulations. Environmental groups and representatives of industry were added to that provision. That concludes the amendments that were made to the bill during the work of the committee.

The committee met for two full days. We had four sets of hearings with a broad range of witnesses, including representatives of refiners and fuel suppliers. All the suppliers of fuels covered in the bill had representatives speak to it. Representatives from the office of the Auditor General reported to us on the 1991 report that the Auditor General had made concerning purchasing within the government fleet. We had witnesses from Environment Canada and Natural Resources Canada. Environmental groups appeared before us; auto manufacturers and manufacturers of equipment used in alternatively fuelled vehicles appeared before us; fleet users appeared, including representatives from the City of Etobicoke, which has an alternatively fuelled fleet. Representatives from United Parcel Service, which has a large alternatively fuelled fleet, gave testimony. Representatives from the Niagara Police Force, which has a large fleet, appeared, and this was useful in our deliberations. We heard from Treasury Board and from Public Works, which buys the vehicles. We heard from the Minister of Natural Resources and the Minister of the Environment. The comments we heard were interesting and instructive. After hearing the witnesses, I think all the committee members came away with a better understanding of the issue. I know I did.

For those who are here and who are not entirely familiar with this bill, it deals with a conundrum which exists right now whereby auto manufacturers have expressed an interest in producing alternatively fuelled vehicles. They have said there was not a sufficient refuelling infrastructure to go ahead with significant numbers. On the other hand, fuel suppliers have said that they would be pleased to provide alternative fuels, but that there are not enough vehicles available to support an infrastructure.

It occurred to us that the federal government had the solution in its hands, inasmuch as there are 39,000 government vehicles on the road today, as we speak. With that sort of purchasing power, it seemed there might be a possibility of using the government's own fleet to start to break the cycle. We concluded that by converting 75 per cent of the government's 39,000 vehicles, we could save significant amounts of money and clean up the air at the same time.

The bill sets out a schedule for doing this. It sets out two years of study, followed by a five-year conversion program. The plan is to convert the fleet to alternative fuels gradually as new vehicles are being purchased. There is no intention to convert vehicles we own at this time, but as new ones are purchased, the intention is to buy alternatively fuelled vehicles.

Ultimately, it is the objective of the committee that the government buy only originally manufactured vehicles for this purpose. There are not enough of them right now. Until that happens, as a bridging step, the committee contemplated purchasing vehicles and then retrofitting them after purchase so that they could operate on alternative fuels.

During the five-year conversion period, it was calculated by the committee that the government could save as much as $7 million and reduce $CO_2$ emissions by 57,000 tonnes. It would then continue to save $7 million per year for every year after that and reduce emissions by 20,000 tonnes a year every year thereafter.

I have already mentioned that the bill covers five fuels: electricity, natural gas, propane, ethane and methane. The bill is fuel neutral; there is no intention here to pick a winner. The intention is for the fuels to emerge on their own. The selection should take place for economic and availability reasons. We anticipate that different regions of the country would choose different fuels. It is clear that some fuels make much more sense in some parts of the country than in others.

One of the interesting things that came forward as we got into the hearings was a significant response from the private sector to the bill. We heard from fuel suppliers from across the country. They wrote in number. There is a document available to honourable senators which lists the letters that we received from the private sector, in which there is an undertaking to spend between $33 million and $39 million to expand the refuelling structure in the event that the bill is passed. This is a very significant commitment. We were very pleased to have so many companies come forward and respond positively to the bill, with a promise of further spending to expand the infrastructure.

• (1520)

We also had some interesting proposals from some fuel suppliers who offered to convert the government fleet, and no cost would be incurred by the government. The proposal that both propane and natural gas suppliers came forward with was one that said, "We will absorb the cost for conversion of these vehicles and we will pay for the cost for that conversion out of the fuel savings that take place over the first two or three years." In essence there would be no outlay from the federal government as the program got rolling.

This program is similar to the federal buildings initiatives where someone from the private sector comes in, rewires a federal building, insulates it, pays for it themselves and recoups their expenses and a profit from future heating and electrical savings. The propane and natural gas suppliers have undertaken to do the same with the federal fleet where the vehicles warrant it.

One of the likely outcomes of Bill S-7 will be a smaller fleet. It will also mean fewer types of vehicles. We discovered that there are 106 different types of vehicles in the federal fleet. The committee felt that was bizarre. There is no need for the government to have so many types of vehicles. There is an opportunity to reduce significantly the number of types of vehicles, which is consistent with the Auditor General's report of 1991. He referred to the RCMP, who have the same vehicles from coast to coast. They experience significant savings when they purchase a vehicle and significant savings in maintaining it, as they keep records. The whole thing becomes more predictable and more economical.

During the course of our study, the government was good enough to table a report called the Bronson report. The Auditor General's suspicions in his 1991 report are quite true; namely, that the federal government has many vehicles that it does not need. I refer to vehicles which are driven too few kilometres to convert to alternative fuel and too few kilometres to keep them. The number of such vehicles could be as high as 10,000, out of a total of 39,000. Alternatives would include public servants using their own vehicles or taking taxis. The government does not need to have all the cars they currently own. The committee is convinced of that.

We had some interesting support for the bill from the Ford Motor Company. The president sent a letter with their representative who gave evidence before the committee. In their brief, Ford indicated that they felt the bill was laudable but that we were going too slowly. Ford sent a revised schedule suggesting that there was no more need to study this issue and that we should begin to convert the fleet immediately, not spend two more years studying it.

**The Hon. the Speaker:** Honourable senators, I hesitate to interrupt Senator Kenny, but his time up. Is there unanimous agreement to allow him to continue?

**Hon. Senators:** Agreed.

**Senator Kenny:** I wish to remind honourable senators of our real commitment. As a nation, we have a commitment to reduce greenhouse gas emissions to 1990 levels by the year 2000. Obtaining that goal will be a significant step forward. Cleaning up the air is important to all of us. The committee has no doubt that this bill will help us accomplish that goal.

The committee has had significant support from members of Parliament. Over 70 people have written indicating their support for the bill. That has been helpful in terms of getting the government's attention. I want to thank those of you in the chamber who have been kind enough to write, and I encourage all of you who still have not done so to give the matter some thought.

This bill is important because it leads by example. It is not a bill that tells anyone to do anything. For a change, it is the federal government saying, "We will clean up our own act." By doing so it will give the citizens of the country an opportunity to go into a dealership and pick an alternatively fuelled vehicle, if they so choose. It is also an opportunity for the federal government to save money while it is cleaning up the air at the same time.

I should like to conclude, honourable senators, with a couple of thoughts about legislation or guidelines. There has been much debate concerning whether the government should proceed with legislation or put guidelines in place. Guidelines are a lot simpler. They are pretty straightforward for a government. It seems sort of American to impose legislation.

In 1991, however, the Auditor General's report pointed out that there had been guidelines in place for over a decade encouraging the use of alternatively fuelled or environmentally friendly vehicles. It was not very successful. In fact, when we asked witnesses from the Department of Supply and Services how many alternatively fuelled vehicles they had purchased in the past year, the gentleman involved said that he could count them on one hand. When we asked how many alternatively fuelled vehicles were planned for use next year, we were told that none were being planned.

This is in sharp contrast to what is happening in the United States. The committee received a letter from the assistant secretary of the Department of Energy indicating that they have legislation in place to convert 75 per cent of their fleet by the year 1999. That is five years ahead of us, and they have a significantly larger fleet. They have approximately 500,000 vehicles in their fleet. The letter we received from the assistant secretary was supportive of the legislation. It indicated that there was some sort of compatibility between the two pieces of legislation. This year, the American government is converting 35,000 vehicles in their fleet to alternative fuel.

Returning to the question of legislation or guidelines, on the one hand, the guidelines that have been in place until now have not worked. I would also be very interested if anyone can think of the last time they heard of a Treasury Board guideline or knew what it was about. On the other hand, legislation would indicate a real commitment by the government. It means that the government is putting itself on the line and is saying, "We will do this. The public will then hear about it. The public will stand up and say that this is the direction that we will take too." It is also important in terms of the private sector commitments.

I spoke about industrial benefits — that is, the $30 million to $40 million that they are prepared to spend if this bill goes ahead. Put yourselves in the mind of an investor in the private sector. Which would you prefer to invest in: Treasury Board guidelines or legislation from the Government of Canada?

In conclusion, I wish to thank this house for its indulgence in permitting me to conclude my remarks. I appreciate the support extended to me from both sides.

**Hon. Wilbert J. Keon:** Honourable senators, I wish to make a few comments and then I have a question for Senator Kenny.

First, I commend the honourable senator for addressing this extremely important subject. This is an area that will have a major economic impact on transportation the world over. I have had a long-standing interest in the development of portable energy over the years from the point of view of medical research and the powering of medical devices.

• (1530)

I would like to mention that you have left out one very important source of portable energy, and that is the electrochemical source; not the contention battery, about which you spoke in the rechargeable electric vehicles, but the other electrochemical power sources. I think this will become one of the major energy sources in the future.

Another area is fuel cells. This is an important area of development which I believe will have a huge market, particularly in California to begin with, and in other parts of the world very soon thereafter.

I think that the National Research Council or some of the private electrochemical institutes across the country should be consulted. Coupled with your initiative, there could be some very interesting scientific trials of high energy sources for powering vehicles.

**Senator Kenny:** Thank you, Senator Keon. The definition in the bill includes ethanol, methanol, propane gas, natural gas, hydrogen or electricity, but I should also point out that under clause 6, Treasury Board has the capacity to make regulations for the purposes of defining an alternative fuel. We left this in the bill because we do not believe that we can always see the future perfectly, and there should be room for managers to adjust as time goes on. It seemed like a mug's game for legislators to try to manage. There is, under clause 6, an opportunity for other fuels to be incorporated over time.

**Hon. Dan Hays:** Honourable senators, I should like to extend my congratulations to Senator Kenny as well for the remarkable achievement of getting his bill to this point.

I have a twofold question for him: First, with respect to legislation as opposed to guidelines, can you comment further on what you have done in the other place in terms of a sponsor and what hopes have you for the legislative mandate proceeding, as opposed to simply the guidelines?

Also, can you comment on the 10,000 surplus cars which the government owns, how they can be disposed of, and whether ministerial cars and cars allocated to people in Parliament are part of that?

**Senator Kenny:** I thank Senator Hays for his question. A variety of people have been kind enough to offer to sponsor the bill in the other place. I had hoped to meet with some of our colleagues there and discuss further with them who would be the appropriate person to do that. It seemed it was better for me to consult further on that, rather than suggest someone.

As far as the reduction in vehicles goes, I had not zeroed in on ministers' cars. Our minister seems to have left. I am sure her car is well driven. I just want to know whether it is alternatively fueled or not.

Senator Nolin had intended to comment further on the reduction of vehicles. Perhaps we could hear what he has to say on that. I am sure he will answer your question adequately because he had a great deal of interest in finding ways to reduce the size of the government fleet. He pursued those questions quite diligently with our witnesses. I suspect that your answer is coming momentarily from another source.

**Hon. Noel A. Kinsella:** Honourable senators, I should like to ask Senator Kenny a question, more on the legislative process than on the substance of the bill.

There appears to me to be an unfairness in the relationship of the two Houses of Parliament in dealing effectively with legislation which flows from the initiative of an individual member.

At this stage, however, we will be sending a message to the other House that a bill has been passed by this chamber so, in a sense, it is no longer an individual initiative but an initiative adopted by the Senate. It will find itself in the system along with other initiatives of individual members in the other place, whereas bills coming from the House of Commons to the Senate, although they may have been initiated by an individual member, when they arrive here are treated in a more expeditious fashion.

Would you comment on what I perceive to be a fundamental unfairness or lack of balance with respect to the decisions of one chamber, which is more than a proposition of an individual member?

**Senator Kenny:** I had an excellent and surprising briefing from the Clerk Assistant on this question. He brought me up to speed and acquainted me with the information which you are bringing. As I recall, I need to find a sponsor who will then go before the Committee on House Management. The sponsor will have five minutes to put the case to that committee. I may sit there in support. The committee will then decide whether the bill is a voteable bill. If it is not a voteable bill, it essentially gets assigned to oblivion. They may deal with it for a little while, then it disappears. If it is a voteable bill, it eventually works its way up the Order Paper three times, and then hopefully it is assigned to a committee.

You are quite right that it is not an equitable system. We seem to be travelling steerage over there, while they are travelling first class over here. There is only one way to handle that, and that is to ask them whether they would like to have a system here similar to what they offer us over there.

Senator Kinsella is quite right that it is inequitable. This is my first time through the process, and I am learning the process. I do not necessarily recommend private bills to everyone, but it is an educational process.

**Senator Kinsella:** Do you think that this house might benefit from some kind of initiative being taken, either by His Honour or, at the instruction of this chamber, by our clerks, to explore this area; to perhaps do some comparative research in other bicameral systems, whereby more equity is brought in the balance between the two Houses? In other words, rather than simply observing while this bill — or other bills — are assigned to oblivion, there really should be a better balance between the two Houses.

**Senator Kenny:** I have long been an advocate of balance between the two Houses in joint committees and on a whole range of other issues. I suspect that my bill will go through the

system as it now exists, but I certainly would support an initiative which would cause representatives of this house to meet with representatives of the other house for the purpose of exploring whether the system can be improved. I think it is important that on all matters we remember that we have a place in the Constitution which is very clear.

[*Translation*]

**Hon. Pierre Claude Nolin:** Honourable senators, I had prepared a few notes, but my colleague, Senator Kenny, covered just about everything. I am also aware that there are other things on the agenda.

Since I do not want to delay the proceedings, I will start by providing some clarifications in response to the question raised by Senator Hays.

How fleet vehicles are used is of primary importance. This assessment must be done in reviewing the possibility and cost of conversion.

Several witnesses confirmed that, as we feared, use is important in this whole debate when we look at all the issues related to the government fleet.

Our colleague, Senator Kenny, referred to a study being prepared by the federal government, namely the Bronson report. This document only refers to the vehicles owned by the government, the vehicles under the responsibility of government departments and agencies. It does not include Crown corporation vehicles.

• (1540)

Honourable senators, when that report was released about a month ago, there were 25,146 vehicles in this category, in the federal government fleet. Several charts are available on this.

We realize at some point that there are, say, 11,290 vehicles whose mileage exceeds 20,000 kilometres per year, which leaves 14,000 vehicles with a mileage of less than 20,000 kilometres per year. This led us to put several questions to Treasury Board officials who were, I must admit, unable to tell us why there were so many vehicles with such low mileage.

I am convinced that we put more than 20,000 kilometres per year on our own cars. Everyone, starting with the Auditor General's representatives, agreed that there was a serious problem with the use of government vehicles. Of the 10,000 vehicles, there are perhaps 8,000 or 12,000 too many. One thing is for certain. If there are 14,000 vehicles whose mileage is less than 20,000 kilometres per year, I agree that, for geographical reasons and even if we tried to rationalize use, we would not be able to get rid of some of these 14,000 vehicles.

At least half, if not more, of the 14,000 are not needed. Here again, Treasury Board has never given us precise answers about this large number of vehicles. I do not know if this answers your questions.

I would like to go back to the comments of Senator Kenny on the reason for a statute rather than guidelines from Treasury Board. Treasury Board, and we will take this as a happy coincidence, has just authorized Public Works Canada to draft new rules governing vehicle purchases.

It is odd to see all of the documents on federal government vehicle purchases being reviewed in the past two or three months. I remind you that Bill S-7 has been under consideration in the Senate for about three-and-a-half months. This is normal. It has nothing to do with the colour of the political party in power.

In 1991, when the Auditor General's report was released, the other party was in power. Nothing has happened since then, except in the past three or four months. I have no problem questioning the real intentions of government officials. The famous guidelines Treasury Board distributed make absolutely no reference to alternative fuels. On the contrary, looking at the vehicle descriptions, which is a bit like looking at a catalogue, we see that all the vehicles are powered by unleaded gasoline. That is pretty straightforward. There is no mention of alternative fuel. Treasury Board certainly has policies because there has been great discussion about them since 1991. Treasury Board has a policy on environmental concerns in the purchase of vehicles. There is no link between the operational guidelines of Treasury Board, Supply and Services and Public Works.

I think we should follow the method you used, the American approach. It works in the United States. There are rooms full of Treasury Board guidelines, unfortunately. There are also rooms full of memos on how to avoid Treasury Board regulations.

We have to get on with things. It is unfortunate indeed that a bill, because it was originated by a single senator, will follow a different course once it reaches the House of Commons. I would hope the House will adopt this bill unanimously. We should discuss with our colleagues in the House how to proceed with bills that appear vital for the future. They should be given the treatment they warrant.

It has been a great pleasure studying this bill with my colleague Senator Kenny. I hope the house will support it unanimously.

**The Hon. the Speaker:** Honourable senators, Senator Kenny moved, seconded by Senator Corbin, that this report be adopted now. Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

[*English*]

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Colin Kenny:** With leave of the Senate and notwithstanding rule 58(1)(*b*), I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

## STATE OF CANADIAN FINANCIAL SYSTEM

CONSIDERATION OF REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE ON STUDY—DEBATE CONCLUDED

On the Order:

> Resuming the debate on the consideration of the thirteenth report of the Standing Senate Committee on Banking, Trade and Commerce, entitled: "Regulation and Consumer Protection in the Federally-Regulated Financial Services Industry: Striking a Balance," tabled in the Senate on November 22, 1994.

**The Hon. the Speaker:** Honourable senators, if no other senator wishes to speak on this order, I move that it be considered debated and dropped from the Order Paper.

Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

• (1550)

[*Translation*]

## EUTHANASIA AND ASSISTED SUICIDE

MOTION TO CHANGE NAME OF COMMITTEE IN FRENCH ADOPTED

**Hon. Thérèse Lavoie-Roux,** pursuant to notice of Wednesday, April 5, 1995, moved:

> That the name of the Special Senate Committee on Euthanasia and Assisted Suicide be modified in French to "Comité spécial sur l'euthanasie et l'aide au suicide."

Honourable senators, before explaining the reasons why the French title should be changed, I would like to make two comments. First, I would like to thank Senator Corbin and Jacques Dubé, Revisor-Editor for the Senate, who assisted me in my research on this topic.

My second comment is less favourable. I am surprised that the Secretary of State, which is responsible for translation, is not more concerned with respecting the genius of the French language. It imposes literal translations like "suicide assisté" for assisted suicide, a literal translation, word for word, which does not really respect the spirit of the language.

This having been said, briefly, all of the various reference books we consulted, including *Le Grand Robert, le Trésor de la langue française, le Grand Larousse de la langue française*, state that, when the verb "assister" is used transitively, the subject and the object are always a person.

We can say in French that the witness "assists" the officer, that the guardian "assists" the minor, that the clerk "assists" the Speaker. There is always a person involved. When the past participle is used as an adjective in French, the meaning of the adjective, according to *Le Grand Robert* is "one who receives help, assistance."

There is one meaning of "assister" which applies to things, but, for the time being, it is only accepted in technical contexts. According to the *Dictionnaire historique de la langue française*, "assister" is found in many expressions copied from the English words "to assist or assisted," but the adjective is used in a slightly different way than the French verb, for example, "des freins assistés, une direction assistée" for power brakes and power steering in cars; "conception, traduction assistée par ordinateur" for computer-aided design or translation.

Obviously, this term cannot be used for suicide or for people. The expression "assistance au suicide" is just another variation of "suicide assisté." According to *Le Grand Robert*, in the above context, the action of "assisting" something in French can only be done by a system, a device facilitating a process, a device, "assistance au freinage, assistance à la création par ordinateur."

The only remaining solution is "aide au suicide," which creates no linguistic problem and has the advantage of being brief.

That is, by the way, the expression used in respected publications on the issue. The Law Reform Commission, for example, uses the term "aide au suicide" in its French publications and not "assistance au suicide," and is even less inclined to use "suicide assisté."

It is also the expression you will find in the encyclopedic vocabulary *Les mots de la bioéthique*, a book co-authored by Professors Hottois from Belgium and Marie Parizeau — I do not know whether she is Mr. Parizeau's niece — from Laval University. In these respected and well-written books, the expression "aide au suicide" is used. I will not dwell on this any longer.

I would like the Senate to help ensure that in any future committee work on euthanasia, that the French name of the Special Committee on Euthanasia and Assisted Suicide be modified to "Comité spécial sur l'euthanasie et l'aide au suicide."

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. members:** Agreed.

Motion agreed to.

The Senate adjourned until Tuesday, May 2, 1995, at 2 p.m.

# THE SENATE

**Tuesday, May 2, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### MANITOBA

PROGRESSIVE CONSERVATIVE VICTORY IN PROVINCIAL ELECTION

**Hon. Duncan J. Jessiman:** Honourable senators, I rise to report the results of the Manitoba provincial election held on Tuesday, April 25. The results were that the Progressive Conservative Party of Manitoba, led by Premier Gary Filmon, was elected for a third term with an increased majority.

**Some Hon. Senators:** Hear, hear!

**Senator Jessiman:** They retained all of the 29 seats which they held at the time the election was called and gained another two seats, one from the Liberals in the constituency of River Heights and the other from the NDP in the constituency of Rossmere.

The NDP won 23 seats, that being two more seats than they held previously. However, one of those seats they took from the Conservatives with only 28 votes.

Unfortunately the Liberal Party, led by Paul Edwards, lost four of the seven seats they held at time of the calling of the election, including that of Mr. Edwards himself.

### SCHIZOPHRENIA

**Hon. Sharon Carstairs:** Forty per cent of those who have this disease will attempt to take their own lives, and 10 per cent of all those who attempt to take their own lives will succeed. What is this dreadful disease for which there is yet no cure? It is schizophrenia, a devastating disease of the brain, and unfortunately, to this date, there is still no cure.

More than 250,000 Canadians have this disease, and the costs to them and to their families cannot be measured. We do know, however, that it costs $2.3 billion each year in direct health care because about one in every 12 hospital beds in Canada is used by someone suffering from schizophrenia. In addition, $2 million in support services are used, and are required to be used, for those suffering from this disease.

I rise, honourable senators, to speak about schizophrenia today because although last week was actually the week set aside to inform Canadians about this dreadful disease, the Senate of Canada was not sitting. However, I was with two persons who suffer from this disease when they presented a bouquet of irises, the floral symbol of schizophrenia, to the Prime Minister last Thursday.

Schizophrenia is a lifelong illness. Unfortunately, it often strikes first when young people are in their late teens or early 20s. It is not caused, as some think, by childhood trauma. It is not the result of a split personality, as many mistakenly believe. It is not caused by lack of parenting skills, or by failures of the person, nor is it caused by poverty. Above all, it is not the person's fault.

It is, however, a very real disease caused by faulty brain biochemistry, and it does have clear symptoms, some of which are withdrawal from family and friends, inappropriate behaviour and, in many cases, poverty of thought and/or speech. There is no cure, but frequently it is treatable with the use of medication.

• (1410)

The stress on both those suffering the disease and their family members is enormous since diagnosis and prognosis are not easily determined. They need both the moral and financial support of Canadians as they meet this challenge.

I urge each and every one of you in this chamber to become more knowledgeable about this disease and to share this knowledge as best you can. I am sure that all of us have been in our discussions involving members of our families, friends or neighbours who have been touched by this disease. I urge you to reach out and help. Michael Smith, the 1993 Nobel Laureate for Chemistry and a Canadian, was clearly touched by the pain of others. He gave his entire prize money to the fight for this disease. Please do your part to inform, to educate and to help.

[*Later*]

**Hon. W. David Angus:** Honourable senators, I too wish to underline and bring to your attention the devastating effects of schizophrenia — a nightmarish condition which, to varying degrees, afflicts one in 100 or some 270,000 Canadians and frequently wreaks havoc among their families and other loved ones.

For too long, this tragic and incurable brain disease, which literally rips families apart and profoundly disrupts millions of Canadians' lives, has not received the attention and support it requires. Over the years, schizophrenia victims have been stigmatized and even reviled. In thousands of instances, the condition has been simply swept under the rug or otherwise effectively ignored. The victims have been dismissed or marginalized as being "crazy" misfits. Care and support for these decent individuals, with some notable exceptions, has been totally inadequate. Public funding for the care, treatment, counselling, and medication of schizophrenics in Canada has

been woefully insufficient. This situation is simply unacceptable in a prosperous and developed nation such as Canada purporting, as it does, to foster a caring, sympathetic, understanding and, dare I say, just society. Accordingly, I enthusiastically and emphatically endorse and support Senator Carstairs' statement this afternoon.

For those of us who have been touched personally in one way or another by the ravages of this illness, our awareness is acute. Society at large, and especially our public officials, now must be made equally aware. Special efforts must be undertaken now to obviate the fear and misunderstanding of schizophrenia which exists in Canada today.

The casual and derogatory use of the term "schizophrenic" needs to be redressed. Imagine how our sadly afflicted fellow citizens feel when they turn on the radio or the television or listen to other public utterances by the insensitive and perhaps the uninitiated and unaware who say "schizophrenic this" and "schizophrenic that" to describe various odd or troublesome behaviour or personality quirks demonstrated by otherwise healthy people.

The following words of Thomas Szasz, as written in 1973 in "The Second Sin," are of interest and instructive here.

> If you talk to God, you are praying; if God talks to you, you have schizophrenia. If the dead talk to you, you are a spiritualist; if God talks to you, you are a schizophrenic.

The Schizophrenic Society of Canada and its affiliate in the province of Quebec — AMI Québec — deserve great credit for the current public awareness campaign they are conducting. As well, these organizations deserve extensive moral and financial support across our nation.

I urge you all, honourable senators, to do what you can to raise the level of public attention to and the understanding of this tragic illness in the Canadian community at large. Schizophrenia can be controlled and treated following proper diagnosis and professional application of appropriate anti-psychotic medication. Our fellow citizens suffering from schizophrenia and its effects simply do not deserve to be ostracized and stigmatized by default because this illness is one that our Canadian society improperly fears and misunderstands.

## FIREFIGHTERS OF NORTH AMERICA

### TRIBUTES

**Hon. Raymond J. Perrault:** Honourable senators, I should like to say a few brief words about an organization the esteem for which cuts across all party lines. I am talking about the firefighters of Canada and the United States of America.

Members of the international association are doing most of the work in Oklahoma City to clean up that devastating, horrible and tragic incident. A number of the members of the International Association of Firefighters are here in Ottawa this week holding their Canadian legislative conference. Part of the conference is dedicated to meeting with various members of Parliament and consulting with them concerning the needs and wishes of the membership of the organization.

I had a chance to talk to them this morning, as have some other senators. The most dangerous aspect of firefighting is responding to incidents involving hazardous materials. Firefighters in Canada are especially hampered by a lack of available information concerning such incidents at the present time. Accurate, accessible information is crucial to saving lives and property at the scene, since the appropriate response for one hazardous material could prove catastrophic if another substance is present.

We have seen all sorts of chemical spills in the last five years in Canada. We have had incident after incident where railway freight cars were derailed, some of which have led to the evacuation of populations. In many cases, to move people to safety, the firefighter must go in, subjecting himself to the same real danger.

A variety of technologically advanced systems are available which enable firefighters to learn the exact nature of the hazardous materials present and provide guidance on responding to specific incidents. Such systems can be designed for both hazardous materials at stationery structures and hazardous materials in transit, whether it be by rail, air, road or marine.

The frequency of these incidents in the past five years points up the need for amendments to present legislation or a new bill to vastly improve the ability of our firefighters to identify dangerous goods and hazardous materials in transit. This issue, I know, would enjoy the support of all of senators.

There is a second problem. Exposure to infectious disease is another major reason why firefighting is one of the world's most dangerous professions. Much of the work of a firefighter involves going into a situation where someone is badly injured or unconscious. There is a high danger of infection to the firefighter who undertakes emergency medical treatment. Often they provide this treatment in unsanitary field conditions on patients about whom they know nothing, and in so doing are occupationally exposed to a variety of dangerous and contagious diseases. Firefighters who have been exposed to an infectious disease need to be informed of this fact so they can seek medical monitoring and modify their behaviour to avoid further transmission. The situation is all the more urgent because of the prevalence of AIDS in our community.

I invite the support of all members of the Senate for initiatives that will provide action and support for our firefighters, both in the area of infectious diseases notification and the identification of dangerous goods.

## FIREARMS LEGISLATION

**Hon. Ron Ghitter:** Honourable senators, I rise today to address an issue that is causing considerable controversy across our land and one which I am certain many senators like myself find to be very challenging and confusing. I refer to the proposed firearms legislation which will be coming to us for consideration in the near future.

Honourable senators, rarely in political life do parliamentarians face such divided and deeply rooted opinions and such widespread misinformation and lack of information on both sides of the issue as has been exhibited across our land since Bill C-68 was introduced.

Personally, I have received over 800 written responses from Alberta alone as a result of my inquiries relating to this legislation, and this is not as a result of any planned lobby group, but an outpouring of viewpoints, focusing particularly on the gun registration requirements of the proposed legislation.

Let me say at the outset that I come to this issue with a bias against guns. I have never owned one and never will. I abhor violence of any kind, and any legislation that will reduce crime in a responsible and meaningful way will receive my unqualified support.

Canadians are deeply divided over the gun registration elements in Bill C-68. The Liberal caucus is deeply divided, as can be seen by the three members who voted against the bill, the three who abstained, and the 37 from the caucus who were absent. I regret, frankly, the punishment handed out to the dissenters in the Liberal caucus who were honourably representing their constituents, but that is another issue I do not intend to get into today.

Honourable senators, the outcry over this bill presents an important challenge to this chamber to understand and examine all its facets, both its merits and faults. It must not be examined on a partisan basis. Among the questions which need to be answered are: Is it needed, and is it right for Canada? We must not allow this bill to divide the country or bring disrespect to the law of our land.

To help honourable senators with the issue, I intend each day to rise during senators' statements to read into the record the views of members of the government with respect to the gun registration aspects of the bill. I hope that this exercise will help us all understand the varying views and opinions expressed by Liberal members of Parliament in the hope that their insights will help us in our subsequent deliberations.

I intend to be non-partisan and fair in my presentation. I personally have an open mind on the issue, and I trust that the same applies to all my colleagues in this chamber. I do hope that this intervention will assist honourable senators in achieving a greater understanding of this contentious legislation. Tomorrow I will read into the record some of the views of Minister Rock in support of the registration aspects of this bill.

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# ROUTINE PROCEEDINGS

## TRANSPORT AND COMMUNICATIONS

### CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION—PROPOSED ORDERS ON DIRECTIONS ON DIRECT-TO-HOME SATELLITE DISTRIBUTION AND ON PAY-PER-VIEW TELEVISION PROGRAMMING—DEPOSITED WITH CLERK OF THE SENATE

On Tabling of Documents:

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, on April 26, 1995, two documents concerning proposed orders issuing directions to the CRTC on direct-to-home, or DTH, satellite distribution undertakings and on pay-per-view television programming undertakings were deposited with the Clerk of the Senate. This was done in compliance with Chapter II, section 8(1) of the Broadcasting Act and in compliance with our rule 28(1).

Pursuant to section 8(2) of the Broadcasting Act, the Standing Senate Committee on Transport and Communications has an opportunity to examine these proposed orders. I know that Senator Oliver, the chairman of that committee, is interested in the issue and will be holding a business meeting with the committee this afternoon, where this matter will undoubtedly be discussed.

On behalf of all senators, I wish the committee well in its work.

## OFFICIAL LANGUAGES

### ANNUAL REPORT OF COMMISSIONER TABLED

**The Hon. the Speaker:** Honourable senators, I have the honour to table the annual report of the Commissioner of Official Languages for the calendar year 1994.

## NATIONAL PROTECTED AREAS STRATEGY

### EXTENSION OF FINAL REPORT DATE—REPORT OF ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

**Hon. Pat Carney,** Chairman of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Tuesday, May 2, 1995

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

TWELFTH REPORT

Your Committee, which was authorized by the Senate on Wednesday, April 27, 1994, to undertake a study of the policy options available to the government to complete the network of pristine areas that represent Canada's natural regions and of the creation of a National Protected Areas

Strategy and to make recommendations thereon, respectfully requests that the date of presenting its final report be extended from June 29, 1995 to no later than March 31, 1996.

Respectfully submitted,

PAT CARNEY, P.C.
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Carney, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

• (1420)

## CANADA-UNITED STATES TAX CONVENTION ACT, 1984

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. John Sylvain,** Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Tuesday, May 2, 1995

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

SEVENTEENTH REPORT

Your Committee, to which was referred the Bill S-9, An Act to amend the Canada-United States Tax Convention Act, 1984, has, in obedience to the Order of Reference of March 28, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

JOHN SYLVAIN
*Deputy-Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Sylvain, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, May 3, 1995, at one thirty o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-69, to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading later this day.

[*Translation*]

## INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

MEETING OF EXECUTIVE AND COMMITTEE ON PARLIAMENTARY AFFAIRS HELD IN BAMAKO, MALI, ON MARCH 6 AND 7, 1995—REPORT OF CANADIAN DELEGATION TABLED.

**Hon. Pierre De Bané:** Honourable senators, pursuant to rule 34, I have the honour to table, in both official languages, the report of the Canadian section of the International Assembly of French-Speaking Parliamentarians as well as the financial report for the meeting of the executive and the meeting of the committee on parliamentary affairs of the IAFSP held in Bamako, Mali, on March 6 and 7 of this year.

[*English*]

## AGRICULTURE

CANADIAN WHEAT BOARD—CONTINUATION OF MARKETING MONOPOLY—PRESENTATION OF PETITION

**Hon. Leonard J. Gustafson:** Honourable senators, I have a petition which reads as follows:

To the Senate in Parliament assembled. It reads:

We, the undersigned citizens of Canada, draw to the attention of the House the following:

That a very vocal minority of citizens are requesting Parliament institute a dual marketing system for wheat and barley to export.

Therefore, your petitioners request that Parliament continue to give the Canadian Wheat Board monopoly powers in marketing wheat and barley to export.

These petitioners are from the areas of Grenfell and Broadview in Saskatchewan.

• (1430)

# QUESTION PERIOD

## FIREARMS LEGISLATION

REFUSAL BY HOUSE OF COMMONS COMMITTEE TO HEAR TESTIMONY OF RENOWNED FIREARMS EXPERT—GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, in order that Senator Graham will have additional work to do by way of further filings, I should like to propose a question.

The oft-quoted Red Book, which propelled the Liberal Party to office, in the chapter entitled "Governing with Integrity," speaks to the irritation of citizens with government that does not consult them, or disregards their views, or tries to conduct key parts of public business behind closed doors.

You will be comforted to know that I am not raising the issue of the Prime Minister's son-in-law in this question, at this point in time.

The section then concludes that open government will be the watchword of the Liberal program.

Open government obviously means government that listens to its citizens and gives them the opportunity to be heard. Honourable senators, I am concerned over the fact that, with respect to the firearms legislation, there is a question as to whether the public is getting an opportunity to make representations to Mr. Rock, as well as to the committee of the House of Commons.

Can the honourable leader advise us why an expert like Gary Mauser, Ph.D., from Simon Fraser University, a renowned expert on guns, author of many relevant papers including the Fraser Institute Paper, has not been allowed to speak before the House of Commons committee? Is it a matter of government policy? If you do not have the answer today, perhaps you would kindly advise us as to the actual rules on appearing before a government committee on matters of this importance?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend will appreciate that these hearings are taking place in the other place. As in this house, the activities of committees are within the purview of the committee itself. Nevertheless, I will certainly pass on the name of this gentleman to my colleagues and seek some response.

I do know that it is not the policy of the government to decide who will or will not be a witness before a parliamentary committee.

[ Senator Gustafson ]

CRITERIA AND SELECTION PROCESS FOR APPEARING AS WITNESS BEFORE COMMITTEE—GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, the chairman of that committee happens to be a Liberal, and the majority of the individuals on the committee are Liberals. Can we not regard their position as being related to government policy, since they decide who can and cannot appear before the committee?

Would the leader also please provide me with the criteria used in choosing witnesses for that committee, as well as a list of those who have made requests to appear before that committee and have been refused?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I have two points to raise with my honourable friend. I would hope that the committees on the other side are managed by the majority party in that place with the same care, non-partisanship and openness as are the Senate committees. I will make the other inquiries as requested by my honourable friend.

**Senator Ghitter:** In response to that point of view, if we believe in open government, Canadians are being denied the opportunity of coming forward to that committee as well as to Mr. Rock to express their views. In the interests of non-partisanship and open-mindedness, it is important that the information be heard and that all Canadian citizens feel they can have an opportunity to be heard.

**Senator Fairbairn:** Honourable senators, I have taken note of the name of the individual mentioned by the Honourable Senator Ghitter. I will pursue the question for my honourable friend. I remind my friend, too, that we will have opportunities on this side of Parliament to examine the bill and to hear important witnesses with varying points of view from across the country.

## TRANSPORT

NOVA SCOTIA—FUNDS FOR WENTWORTH VALLEY HIGHWAY PROJECT—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, I have a question which in some ways follows that of my colleague. My question deals with the diversion of some $26 million from the Nova Scotia-Government of Canada Highway Program. This money was allocated to upgrade the Wentworth Valley, a notoriously perilous strip of the Trans-Canada Highway. Funds have been diverted from this work to upgrade the Fleur-de-Lis Trail on Cape Breton Island. While that is a very worthwhile piece of work, it hardly measures up to the difficulty posed to users of the Trans-Canada Highway in Nova Scotia, particularly those who transit the Wentworth Valley region.

The provincial minister responsible for highways, Mr. Richard Mann, whose riding falls within the federal riding of Minister David Dingwall, has suggested to Nova Scotians, and has begun taking steps in this regard, that a private construction program calling for a toll road be implemented. It will be the first toll on the Trans-Canada Highway, all to satisfy Mr. Dingwall and offset the loss of funds.

This is an outrage not only to Nova Scotians but to all Canadians who have contributed to the development of a safe national highway of which we are generally very proud.

Will the Leader of the Government in the Senate make some inquiries of her colleagues to see whether, in retrospect, they could find some way to replenish those funds, to recall or withhold or even redirect funds in order to eliminate that perilous section of the Trans-Canada Highway which has claimed so many lives in recent years?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the honourable senator's question is a detailed one. It is very much connected to a part of the country with which I am not familiar. I would be pleased to take his question to my colleagues and to provide as complete a response as possible.

## PRECINCTS OF PARLIAMENT

### CANCELLATION OF EAST BLOCK TUNNEL PROJECT—REQUEST FOR INFORMATION

**Hon. Richard J. Doyle:** Honourable senators, my question is directed to the Leader of the Government in the Senate. In a memo from the Senate's Director of Services dated April 11, 1995, senators were advised that the construction contract for the East Block-Centre Block pedestrian tunnel had, by ministerial direction, been cancelled and that negotiations are underway with the contractor regarding cancellation costs. Has this matter been resolved? At what cost? What amount was expended on this tunnel and its planning before cancellation?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as usual, I will take my honourable friend's question as notice and do my best to get an answer to him quickly.

## ENVIRONMENT

### MANITOBA—ORIENTED STRAND BOARD PLANT—POSSIBILITY OF HEARING BEFORE INDEPENDENT REVIEW PANEL—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, in early December, Manitobans were concerned about a portion of their province equal in size to Prince Edward Island which had been handed over to a company known as Louisiana Pacific to harvest timber for the world's largest oriented-strand board plant. They wrote to the federal minister of the environment. They were most concerned that a licensing agreement had been signed without public review, without benefit of any environmental assessment, and urged federal intervention. To date, the Minister of the Environment has replied only with a letter of acknowledgement. The Minister of Indian and Northern Affairs has said he cannot call for a federal environmental assessment review.

• (1440)

My question to the Leader of the Government in the Senate is this: Will the minister directly address these very serious concerns to the Minister of the Environment and show the people of Manitoba that the new environment assessment laws, of which she approves, do not leave them defenceless and without the right to question the agreement before an independent review panel?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to raise this matter with my colleague Ms Copps.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have several responses to questions raised in the Senate. I have the response to a question raised in the Senate on February 22, 1995 by the Honourable Senator David Tkachuk regarding the definition of a tax loophole; the response to a question raised in the Senate on February 22, 1995 by the Honourable Senator Earl A. Hastings and by the Honourable Senator Lowell Murray regarding the incidence of tuberculosis; the response to a question raised in the Senate on March 21, 1995 by the Honourable Senator Norman Atkins regarding the purchase of Upholder class submarines; the response to a question raised in the Senate on March 22, 1995 by the Honourable Senator Consiglio Di Nino regarding the Immigration and Refugee Appeal Board; the response to a question raised in the Senate on March 22, 1995 by the Honourable Senator Janis Johnson regarding reform of child support systems; the response to a question raised in the Senate on March 23, 1995 by the Honourable Senator Gerald Comeau regarding the defence industry productivity program; the response to a question raised in the Senate March 23, 1995 by the Honourable Senator John Sylvain regarding peacekeeping tours of duty; the response to a question raised in the Senate March 23, 1995 by the Honourable Senator Janis Johnson regarding the implementation of a national child care strategy; the response to a question raised in the Senate on March 23, 1995 by the Honourable John Lynch-Staunton regarding the implementation of a national child care strategy; the response to a question raised in the Senate on March 28, 1995 by the Honourable Senator Richard J. Doyle regarding the National Health Forum; the response to a question raised in the Senate on March 29, 1995 by the Honourable Senator Erminie J. Cohen regarding the Port of Belledune; the response to a question raised in the Senate on April 4, 1995 by the Honourable Senator J. Michael Forrestall regarding the status of the cancellation of EH-101 related contracts; and the response to a question raised in the Senate on April 5, 1995 by the Honourable Senator Mira Spivak regarding the distribution of the study on plain packaging.

## THE BUDGET 1995

### STATUS OF RRSP AS TAX LOOPHOLE—GOVERNMENT POSITION

*(Response to a question raised by Hon. David Tkachuk on February 22, 1995)*

The tax system follows the simple principle that, *within clear limits*, income set aside for retirement should be taxed when it is received, not when it is saved.

This principle has been followed ever since the income tax system was created during World War I. The same principle applies in most other industrialized countries.

In his Budget speech, the Minister of Finance affirmed the Government's commitment to this tax regime and to the need for fair limits on deductible contributions.

He said: "Providing tax assistance to encourage Canadians to save is an essential part of our retirement income security system. We are not prepared to compromise the integrity of purpose of that system."

He continued: "But equally, we must ensure that the benefits of tax assistance are shared fairly in these times of restraint, while also adhering to the key principles and purpose of pension reform."

To meet the latter test, the budget proposed a reduction in the pension and RRSP limits that will affect taxpayers earning over $75,000. It will ensure that tax assistance is provided only on earnings up to 2.5 times the average wage, as proposed under pension reform.

The budget also proposed measures to tighten some existing provisions. These included a reduction in the allowance for RRSP overcontributions from $8,000 to $2,000.

## CORRECTIONAL SERVICE

### INCIDENCE OF TUBERCULOSIS IN ONTARIO PENITENTIARIES—GOVERNMENT POSITION

*(Response to question raised by Hon. Earl A. Hastings on February 22, 1995)*

The policy of the Correctional Service of Canada (CSC) is that, as part of the inmate admission process, an active screening program for tuberculosis be conducted. Although CSC has no legal authority to conduct mandatory testing, correctional officials strongly encourage inmates to be tested, and ensure that all inmates are provided with the best medical information available.

If documentation is not available to determine that testing was completed in a provincial system, the Service provides skin testing (Mantoux), followed by chest X-ray if necessary, upon entry to the federal institution.

If an inmate refuses to be tested, the institutional physician makes a clinical judgement as to whether the inmate should be returned to general population or whether further action, such as isolation, is required as a precautionary measure.

CSC has also opted to provide annual re-testing of inmates with negative Mantoux (skin test). This allows identification of persons who may have had contact with the disease and are at risk of developing it.

CSC's policy on tuberculosis screening and treatment is consistent with, and has been approved by, the Laboratory Centre for Disease Control of Health Canada.

Tuberculosis screening programs are now in progress at Kingston Penitentiary for both staff and inmates. Offering treatment to those who are identified as infected with tuberculosis before they develop active disease will prevent those individuals from developing the form of tuberculosis which can be spread to others.

These screening programs are pro-active health programs designed to protect the health and well-being of participants. The current testing will provide valuable information to determine the rate of infection and to monitor any changes in the profile of the disease in the institution.

Information sessions on tuberculosis are being held for staff and inmates with experts from Health Canada and external medical consultants to discuss concerns and answer questions about personal health and to encourage participation in the screening program.

Only people with active tuberculosis can spread the infection to others. To date, there have been no confirmed active cases at Kingston Penitentiary. As of March 23, 1995, however, there are 5 presumed active cases at Kingston Penitentiary and 5 presumed active cases from other facilities in the Kingston area. Testing and analysis of the data will continue at Kingston Penitentiary to identify any active cases and to ensure that all affected staff and inmates receive appropriate medical treatment.

The testing of inmates in the Ontario Region is completed.

Health Canada, in conjunction with CSC, has embarked on an aggressive TB screening program for correctional staff at all institutions.

Assurance and advice from Health Canada officials has been given to the effect that there is no need for additional measures.

Correctional Service Canada and Health Canada have developed a National comprehensive approach to TB control and prevention in federal correctional institutions. The agreement calls for overall program coordination to be provided by a National Steering Committee composed of representatives from Health Canada and CSC and the Union of the Solicitor General Employees (USGE). An implementation plan is being developed to address all initiatives contained in the agreement. CSC is working closely with Health Canada and the USGE on this issue.

### REFERRAL OF TUBERCULOSIS PROBLEM IN PENITENTIARIES TO MINISTER OF HEALTH—GOVERNMENT POSITION

*(Response to question raised by Hon. Lowell Murray on February 22, 1995)*

Although Canada reports one of the lowest TB rates in the world, the Canadian TB rate abruptly stopped declining in 1987, ending decades of decrease. This change in trend has caused an intensive re-evaluation of the TB situation in Canada. From 1987 until 1992 (last national figures), the rate has stabilized at 7.2 to 7.4 cases per 100,000, i.e., 1,947 to 2,091 TB cases per year were reported.

The relatively low national TB rate obscures populations with high levels of TB infection. The Northwest Territories

with its large aboriginal population reported the highest rate in 1992 (41.8 per 100,000) and Nova Scotia reporting the lowest rate (1.4 per 100,000).

A fundamental change has occurred in the risk groups for TB. In 1980, 49.4 per cent of TB cases occurred in non-aboriginal, non-foreign-born Canadians, 14.1 per cent in aboriginal Canadians, and 35.5% in the foreign-born. By 1992, only 25.3 per cent of cases occurred in non-aboriginal, non-foreign-born Canadians, 18.6 per cent in aboriginal Canadians and 53 per cent in foreign-born.

Fewer TB cases are now being reported in European immigrants and more cases are reported in Asian immigrants.

The estimated rate of TB in First Nation peoples is 8 to 10 times higher than the Canadian national rate.

TB rates are increasing among children in the 0-4 age group.

The number of individuals reported in Canada to have AIDS and active TB is small. However, the number of reported cases is underestimated. The Division of HIV/AIDS Epidemiology of LCDC reports that 4.1 per cent of reported Canadian persons with AIDS had a diagnosis of TB. British Columbia reports that 4.3 per cent of their identified AIDS patients have been diagnosed with active TB.

Canadians are at risk of developing drug resistant TB either because they have been partially compliant with treatment or because they have developed active TB after they were exposed to someone with drug resistant TB. Failure to recognize and isolate suspected TB cases and provide adequate anti-TB treatment has resulted in outbreaks of MDR TB in U. S. health care settings and correctional facilities among HIV-infected individuals and their care-givers. MDR TB has frequently and rapidly led to death in HIV-infected individuals.

To date, the number of cases of drug-resistant TB reported in Canada has been small, outbreaks of MDR TB have not been reported and there are no reports of individuals being co-infected with HIV and MDR TB. However, the possibility of MDR TB must always be considered in patients who were born in countries reporting high levels of drug-resistant TB or people who have lived or visited areas that have high levels of drug-resistant TB.

## NATIONAL DEFENCE

### PURCHASE OF UPHOLDER CLASS SUBMARINES—COST TO GOVERNMENT

*(Response to questions raised by Hon. Norman Atkins on March 21, 1995)*

In the 1994 Defence White Paper, the government indicated its intention to explore the option to acquire four UPHOLDER diesel-electric submarines from the United Kingdom. This option is currently being explored and no decision will be made until the investigation is complete.

The actual cost of acquiring these submarines is still being investigated and as such, no accurate cost estimates can be provided at this time. As stated in the Defence White Paper, the UPHOLDER class submarines will only be acquired if it should prove possible to do so within the existing capital budget.

It is the intention of the government to explore the possible acquisition of diesel-electric powered submarines. There are no plans to investigate the acquisition of nuclear-powered submarines.

## IMMIGRATION

### IMMIGRATION AND REFUGEE BOARD—QUALIFICATIONS OF NEW EXECUTIVE DIRECTOR—GOVERNMENT POSITION

*(Response to question raised by Hon. Consiglio Di Nino on March 22, 1995)*

Mr. Fleury worked with CSIS for a period of two-and-a-half years as the Deputy Director of Human Resources and Official Languages.

He was sent to assist CSIS in the reorganization of their personnel functions.

Mr. Fleury was appointed to the IRB as administrator. He has *thirty years* of experience in the Public Service and will be working with the IRB as an administrator.

In all of the jobs he has held, Mr. Fleury has been involved with human resources.

The IRB is in need of skills in this area.

In preparing the biographical notes, the IRB included parts of Mr. Fleury's background that were most relevant to the position.

His entire resume, including his reference to CSIS was sent to the IRB. The preparation of the biographical note was done by the IRB.

## SOCIAL AFFAIRS

### REFORM OF CHILD SUPPORT SYSTEMS—GOVERNMENT POSITION

*(Response to question raised by Hon. Janis Johnson on March 22, 1995)*

Government is currently reviewing the taxation of child support. The Supreme Court of Canada is also expected to release its decision on *Thibaudeau* in the near future.

The Minister of Justice released with provincial/territorial colleagues, the report of the federal/provincial/territorial

Family Law Committee. Justice is currently consulting and receiving feedback on the proposals. It should be noted that the tax treatment is an integral part of the proposed child support formula.

Ministers of Justice, Human Resources Development, Finance and Status of Women Canada will be deciding shortly the timetable for the proposed reforms.

## THE BUDGET 1995

### DEFENCE INDUSTRY PRODUCTIVITY PROGRAM— GOVERNMENT POSITION

*(Response to question raised by Hon. Gerald J. Comeau on March 23, 1995.)*

The DIPP Program is one of Industry Canada's continuing programs. However, there will be no new commitments made under DIPP in the foreseeable future.

DIPP will be the subject of Cabinet review in the context of technology development and the current fiscal reality. The government is well aware of the importance of these programs to the industry and to Canada.

With respect to DIPP, the Government can no longer afford to sustain it at current funding levels. To this end, Industry Canada officials will work with industry to identify innovative mechanisms whereby private sector funding could be leveraged to support research and development. It is expected that any new mechanisms recommended would be considered as part of the DIPP Cabinet review process.

## NATIONAL DEFENCE

### LENGTH OF TOURS OF PEACEKEEPING FORCES— REQUEST FOR INFORMATION

*(Response to question raised by Hon. John Sylvain on March 23, 1995)*

Major units on peacekeeping duties are rotated every six months. A six-month tour is considered to be the maximum time an individual, as part of a formed unit, should be removed from his or her family on an unaccompanied tour.

Canadian Forces Administrative Orders direct that individuals shall not normally be posted outside of Canada, without their dependants, within one year after returning from a previous unaccompanied tour. Normally, an individual shall serve three years in Canada between unaccompanied tours. An exception to the one year rule may be made by the National Defence Headquarters where an individual volunteers or service requirements exist.

At the present time, two battle groups are deployed continuously with UNPROFOR, in former Yugoslavia. Currently, the Land Force maintains a rotation base of 12 unites to support these deployments. The available units include six infantry battalions, three armour regiments and three artillery regiments.

The removal of the Airborne Regiment from the Canadian Forces Order of Battle will not affect the rotation base. The Airborne Regiment was tasked as the UN standby unit and while so tasked, remained in Canada for that purpose. In this role the Regiment could have been deployed for short-notice, short-duration deployments, such as Somalia. As a result, while it filled that role, the Regiment was not considered available for deployments to UNPROFOR. The task of UN standby unit will now be assumed, on a rotating basis, by a unit in the Land Force. At the present time the task is filled by the 1st Battalion, R22eR.

## SOCIAL AFFAIRS

### IMPLEMENTATION OF NATIONAL CHILD CARE STRATEGY— GOVERNMENT POSITION

*(Response to question raised by Hon. Janis Johnson on March 23, 1995)*

The federal government remains committed to the development of a child care program. It is true that the Red Book indicated the federal government would spend up to $120 million as their share of creating an expanded child care system. However, it is equally true that the Red Book commitment is based on a clear understanding of federal-provincial relationships and the knowledge that child care comes under provincial jurisdiction. The federal commitment was very exact in stating that they expected the provinces and territories to match this expenditure.

Every level of government is facing financial pressures and are being forced to find ways of improving the effectiveness of their services and the manner in which they are delivered.

Child care is a pivotal service in that it can support in a variety of ways the numerous financial and social objectives of governments. Child care allows parents to enter the labour force or to take educational and training courses that will improve their work skills.

Child care has an excellent track record of promoting child development and offering a variety of needed supports to the family. Consequently child care is an important tool to help alleviate and overcome child and family poverty.

Provinces and territories wish to consider the role of child care as part of their overall review before making specific proposals to the federal government.

Monies for the child care initiative are not specifically identified in the 1995-96 Main Estimates because funding will take place through the new Human Resources Investment Fund (HRIF). This fund is being created as a result of the review, consolidation and redirection of the Department's non-statutory funding programs. The fund initiatives will be focused on helping people find and keep jobs, combating child poverty and providing assistance to those who need it most.

The federal government remains steadfast in its commitment to child care and the monies required to implement the program are available within the fund. The amount spent on child care arrangements with provinces and territories will depend in part on the number interested in pursuing arrangements, and in the type and timing of the arrangements they seek.

The promises contained in the Red Book clearly stated that agreements with the provinces and territories would have to be reached and their financial commitment must match that of the federal government. The federal government is prepared to discuss financing arrangements with interested provinces and territories as they indicate that they are ready for discussion.

AMOUNT OF FUNDING AVAILABLE FOR CHILD CARE STRATEGY—GOVERNMENT POSITION

*(Response to question raised by Hon. John Lynch-Staunton on March 23, 1995)*

The Leader of the Opposition has based his comments on a statement attributed to the Prime Minister when he appeared on a Radio-Quebec program called "Droit de parole." What the Prime Minister actually said was that the federal government would fulfil its election promise to transfer $300 million to provinces in the coming years in order to create more child care spaces.

The Leader of the Opposition was correct in stating that the federal investment was to begin following a year of 3 per cent economic growth and that such would be the case this year, but not in his interpretation of the time frame for federal government investment. The period of investment as referenced by the Prime Minister during his television interview was not simply one year as suggested by the honourable senator. Furthermore, the government's child care commitment was predicated on agreement with provinces that have primary responsibility for the provision of such services. Provincial cooperation was to be an essential element of new investment arrangements.

While most provinces have expressed an interest in expanding and improving their child care systems, there is a reluctance on their part to commit to new investment.

This reluctance is understandable. All levels of government are attempting to put their financial houses in order. Most are reviewing existing programs to find ways of improving services and delivering them in the most cost effective way. Until these reviews are completed and until governments have a clearer picture of where they want to go, and what services they wish to support, decisions around child care or any other services will be deferred.

Despite this, the government remains committed to child care and will work with interested provinces and territories as they indicate that they are ready for discussion.

The actual amount spent on child care arrangements with provinces and territories will depend, ultimately, on the number of interested jurisdictions and in the type and timing of the arrangements they seek.

Federal funding for new joint investments with provinces and territories will be provided from the Human Resources Development Fund being created within the department of Human Resources Development, a fund referenced in the last budget.

## NATIONAL FORUM ON HEALTH

REQUEST FOR PARTICULARS ON EXPENSES, BUDGEST AND CONTRACTS

*(Response to questions raised by Hon. Richard J. Doyle on March 28, 1995)*

### NATIONAL FORUM ON HEALTH

| | |
|---|---|
| Richard Cashin | $4201.59 |
| André-Pierre Contandriopoulos | $1772.18 |
| Randy Dickinson | $2308.26 |
| Madeleine Dion Stout | $2304.91 |
| Robert G. Evans | $2073.65 |
| Karen Gainer | $3666.93 |
| Debbie L. Good | $2717.43 |
| Nuala Kenny | $2869.81 |
| Richard Lessard | $3434.29 |
| Steven Lewis | $3113.62 |
| Gerry M. Lougheed Jr | $2259.83 |
| Eric M. Maldoff | $868.79 |
| Louise Nadeau | $1844.43 |
| Dr. Tom Noseworthy | $5098.79 |
| Shanthi Radcliffe | $3162.81 |
| Marc Renaud | $3130.37 |
| Judith A. Ritchie | $2488.85 |
| Noralou P. Roos | $1815.25 |
| Duncan Sinclair | $2437.04 |
| C. Lynn Smith | $280.08 |
| Mamoru Watanabe | $4025.52 |
| Roberta Way-Clark | $3679.63 |

**ANNUAL BUDGET**
**NATIONAL FORUM ON HEALTH**
**FISCAL YEAR 1995-96**

| | |
|---|---|
| **Annual Budget** | **$3,180,000** |
| Salaries/Personnel | $1,288,100 |
| Transport & Communications | $410,000 |
| Information | $173,000 |
| Prof. & Special services | $1,139,700 |
| Operating costs | $174,100 |
| Capital costs | N/A |
| Other payments | N/A |

| NAME | $ | Purpose |
|---|---|---|
| Catherine Swift | 46,700 | Business system design and development for NFOH |
| Infolink | 4,414 | Minute taking — November meeting |
| Lyle Makosky | 2,835 | Conceptual framework for NFOH members |
| Lorne Plunkett & Associates | 1,605 | Facilitator — Forum Secretariat |
| MH Media Monitoring | 5,000 | Media monitoring |
| Canada Corporate News | 5,000 | Clippings distribution |
| Infolink | 2,006 | Minute taking — January meeting |
| Nancy Averill | 12,840 | Advisory services to NFOH |
| Summum Consultant | 2,500 | Facilitator — F/P/T meeting |
| Infolink | 535 | Minute taking — February meeting |
| Infolink | 3,236.75 | Preparation of Newsletter |
| Don Cummer & Asso. | 900 | Speech module on Working Group |
| Democracy Education Newtwork | 29,000 | Study Circle Strategic Plan |
| Infolink | 4,125 | Minute taking — March meeting |
| Passez Go Communications | 644 | Writing — Editing |
| Canadian Institute of Child Health | 8,916 | Review of recent National Provincial/Territorial reports |
| Heather Workman | 535 | Facilitator — Youth Conference |
| Department of Public Works | 27,483 | Production of Video |
| Groupe Columbia | 93,320 | Strategic Communications advice |

## TRANSPORT

### UNDERUTILIZED INFRASTRUCTURE AT CANADIAN PORTS— NEED FOR PROPOSED NEW BERTHAGE AND CARGO SHEDS IN MINISTER'S RIDING

*(Response to question raised by Hon. Erminie J. Cohen on March 29, 1995)*

The Port of Belledune is managed by the Canada Ports Corporation which is a federal commercial Crown corporation. The port has two marine terminals which handle dry and liquid bulk cargoes for two primary users, Brunswick Mining and Smelting and the New Brunswick Power Generating Station. The port requires new facilities to handle forecast demands for bulk and general cargo.

After analyzing the traffic demand, the Canada Ports Corporation proposed the construction of a deep-water, multipurpose facility at an estimated cost of $32.2M. The proposal includes the construction of a 280 metre crib wharf, with a water depth of 11.6 metres at low tide, a 6500 $m^2$ shed and a paved open storage area of 6.5 hectares.

Construction is expected to begin in summer 1995 with completion by the end of 1997.

The new terminal will serve the industries of north-east New Brunswick and forecast cargoes include palletized gypsum, palletized fly ash, wood pulp, corrugated medium and lumber. It is estimated that traffic will total some 530,000 tonnes annually.

The project is a commercial decision by the CPC. It will be financed primarily through a $20.2M loan from the Canada Ports Corporation Interport Loan Fund, which is a fund established by Ports Canada ports to finance commercially viable capital projects. The balance of the funding will come from loans and non-recoverable contributions from federal government and the Province of New Brunswick through various federal/provincial/municipal agreements on economic development.

## NATIONAL DEFENCE

### COMPENSATION FOR CANCELLED EH-101 CONTRACTS— GOVERNMENT POSITION

*(Response to question raised by Hon. J. Michael Forrestall on April 4, 1995)*

The Government and Unisys GSG Canada Inc. (formerly Paramax) reached a final settlement agreement on the Unisys claim arising from the cancellation of the EH101 Helicopter Program in December 1994.

The settlement agreement, which totals $166 million, includes the amount due to Unisys, its subcontractors and suppliers. Of this amount, $98 million is for work completed and paid for prior to termination. The balance, $68 million, is for work in progress at the time of termination and for termination related costs. It should be noted that only the $68 million portion of the settlement amount forms part of the $250 million set aside for program cancellation.

Negotiations with E.H. Industries, the second prime contractor, are ongoing. The outcome of these negotiations is not predictable at this time.

There are no other outstanding EH101 termination related claims.

## HEALTH

TOBACCO DEMAND REDUCTION STRATEGY—DISTRIBUTION OF STUDY ON PLAIN PACKAGING—GOVERNMENT POSITION

(*Response to question raised by Hon. Mira Spivak on April 5, 1995*)

As you may be aware, the Expert Panel on Plain Packaging submitted its report to Health Canada. This is a very comprehensive and thorough report which will be released to the public and to Members of both Houses of Parliament. As soon as the translation and production details have been finalized, the Minister will be able to provide a release date which will be reported to the Chamber.

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

COMPOSITION OF NATIONAL DEFENCE MINISTER'S ADVISORY GROUP ON DEFENCE INFRASTRUCTURE

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to question No. 59 on the Order Paper—by Senator Bernston.

FACILITIES FOR EMPLOYEES AT JASPER NATIONAL PARK

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to question No. 76 on the Order Paper—by Senator Tkachuk.

FACILITIES AT BANFF NATIONAL PARK

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to question No. 77 on the Order Paper—by Senator Tkachuk.

FACILITIES AT PRINCE ALBERT NATIONAL PARK

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to question No. 78—by Senator Tkachuk.

# ORDERS OF THE DAY

## ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

SECOND READING

**Hon. Sharon Carstairs** moved the second reading of Bill C-69, to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries.

She said: Honourable senators, I am pleased to speak in favour of Bill C-69, the Electoral Boundaries Readjustment Bill, 1995. I should like to begin by reviewing the events that led to Bill C-69.

The current process of adjusting constituency boundaries by independent commissions has been in existence since 1964 when the Liberal government of Lester Pearson passed the Electoral Boundaries Readjustment Act for the very first time.

Before then, the House of Commons itself was responsible for electoral boundary readjustments, and the question impartially was rightly raised by the public. After some 30 years, the current process was in dire need of a thorough review and update. That is why the government suspended the ongoing process last year in order to allow for such a review.

That was not the first time that the work of boundaries commissions had been suspended.

[*Translation*]

Following the 1971 and 1981 censuses, the readjustment process was suspended in order to allow for the amendment of section 51 of the Constitution Act, 1867, which sets out the formula used to calculate the number of seats in the House of Commons, and to allow for some minor changes to the readjustment process.

[*English*]

In both cases, the process was suspended at a late stage when the House was considering the reports of the boundaries commissions.

The electoral boundaries readjustment process was also suspended in June of 1992 in order to give the government and Parliament time to reconsider the recommendations of the Royal Commission on Electoral Reform, otherwise known as the Lortie commission.

The special House of Commons committee on electoral reform, which was mandated to study the recommendations of the Lortie commission, issued two reports on electoral matters, one of which formed the basis of Bill C-114, which came into force on June 25, 1993.

[*Translation*]

The special committee had yet to examine the electoral boundaries readjustment process when Parliament was dissolved during the last election.

[*English*]

The electoral boundaries readjustment process started anew in September of 1993. Following the general election, the ongoing work of the boundaries commissions highlighted several problems with the current process. For example, boundaries commissions currently publish their initial proposals without having had a chance to obtain input from interested parties. In addition, although some commissions explain the reasons for the proposals, they are not required to do so. It is, therefore, difficult for a person who intends to make representations to a commission to know the reasons behind its proposals and to make objections or present alternatives in an effective manner.

Another problem is that the criteria used by the commissions in drawing the electoral maps are far too general. As a result, depending on the approach taken by each commission, the rationale for setting electoral boundaries can thus differ considerably from one province to another.

In light of these flaws, it is not surprising that the new electoral maps prepared by the current boundaries commissions were severely criticized by members of the public, by concerned municipalities and by members of Parliament, including members of various opposition parties. Moreover, it was obvious that the most opportune time to legislate changes to the current system would be early in the life of a new Parliament. That is why the government decided last March to introduce Bill C-18, the Electoral Boundaries Readjustment Suspension Act, 1994, in order to suspend the ongoing process.

However, following the introduction of the bill, there was considerable concern that the proposed 24-month suspension would result in the next general election being held under the current set of ridings, rather than the new ridings based on the results of the 1991 census, if Parliament failed to legislate a new process during that suspension period. There was a particular concern that, in the absence of redistribution, Ontario and British Columbia would not get the extra seats to which they are entitled.

This concern was raised in the Senate. It was raised in British Columbia. It was raised at the biannual convention of the Liberal Party of Canada, which unanimously adopted a motion asking that the 1991 census boundaries be in place for the next election.

Although the government was proceeding quickly in reviewing the current process, it nevertheless took heed of the criticism and, recognizing that there should be a shorter deadline for adopting new legislation, moved an amendment in the Senate to reduce the suspension period from 24 months to 13 months. This would have guaranteed that new electoral boundaries based on the 1991 census would be in place by December 1997 at the very latest. That date, honourable senators, represented a government mandate of four years and two months.

During the past 35 years, every majority government has had a life span of at least four years and two months, so this amendment would have gone a long way to ensuring that the next regularly scheduled general election would be held on the basis of new 1991 census boundaries and that the provinces of British Columbia and Ontario would get the additional seats to which they were indeed entitled.

However, that proposal was rejected by the Conservative majority in this place, which is of course their right. Instead, the bill was amended in the Senate so that the activities of the commissions would be suspended only until February 6 of 1995. If new legislation were not adopted before that date, the commissions would be reactivated and would continue their work where they had previously left off.

Though the essence of the Senate's amendments was accepted by the government and by the House of Commons, on June 9, 1994 the date of February 6, 1996 was changed. That date did not offer sufficient time in which to complete all the stages necessary, in the government's view, for the adoption of new legislation by both Houses of Parliament.

For instance, the House of Commons, under its rules, was scheduled to be adjourned between December 16, 1994 and February 6, 1995. Consequently, that House would have been compelled to complete all of its work and send the legislation to the Senate by December 16, 1994, if there were to be any hope of meeting the deadline.

Although the House of Commons accepted our amendments, it proposed that the suspension end on June 22 instead of February 6. This modification was accepted by the Senate and, on June 15, 1994, Bill C-18 received Royal Assent.

[*Translation*]

Subsequently, the Standing Committee on Procedure and House Affairs was given the task of reviewing the current process and improving it. The standing committee was also authorized to draft a bill giving effect to its recommendations.

[*English*]

The standing committee submitted its fifty-first report, including a draft bill, on November 25, 1994. The government considered the committee's proposals and brought forward Bill C-69, which is based on that report.

I think it is important for all of us to recognize that this is somewhat of a landmark bill. This bill came out of a committee; it was drafted by the committee, and it was accepted almost in its entirety by the government before it was introduced into the House of Commons.

I believe that this landmark decision by this committee, and by the government under the new House of Commons rules, implemented in February of 1994, may, indeed, give members of Parliament a new and very valuable function.

When I was in South Africa just a little while ago, one of the major discussions with the South African parliamentarians was the use of committees in the drafting of legislation. Could they do it and, if so, how could they do it? At that point in time, I must say, I did not have knowledge of this particular bill, which

I could have used to show that, in fact, it is a process still very much in its infancy in Canada and in the House of Commons, but I personally look forward to its further use in the future.

• (1450)

Some, such as the Reform Party, have argued that Bill C-69 does not significantly alter the current process, and therefore did not justify the suspension of the redistribution process last year. I do not believe that is the case. The standing committee successfully addressed the issues it was mandated to consider and proposed an improved electoral boundaries readjustment process.

Consider, for example, some of the more important changes that Bill C-69 would bring about: First, decennial redistributions will not be held in provinces where there has not been a significant population shift. The bill provides that boundaries commissions will no longer be established in provinces where the number of seats to which the province is entitled remains the same, and where none of the ridings vary by more than 25 per cent from the provincial quotient.

This is an important measure that will eliminate unnecessary redistributions and cut costs. For example, based on the results of the 1991 census, it is anticipated that there would be no redistributions in Saskatchewan, nor in my province of Manitoba or in Prince Edward Island. This would result in anticipated savings of roughly $1 million.

In addition, the bill would give those constituents living in those provinces a level of comfort with the constituency boundaries they presently have. Public criticism of the current process, highlighted by the frustration and inconvenience caused when ridings are changed for no apparent reason, would thus be eliminated. Constituents become accustomed to their ridings and, in the absence of important shifts in population, there is no valid reason to incur the cost and disruption of a redistribution. This is a perfect example of how Bill C-69 improves the current system.

The second major change is that Bill C-69 provides for quinquennial readjustments in addition to the current decennial redistribution. Quinquennial redistribution would take place in provinces where, following a quinquennial census, more than 10 per cent of the constituencies varied by more than 25 per cent from the provincial quotient. This would not affect the total number of seats in the house or the number of seats allotted to the provinces. It would, however, allow for the readjustment of boundaries within the designated provinces if there had been a significant population shift. By allowing for the readjustment of electoral boundaries on a five-year basis, the effects of major population shifts in certain provinces will be minimized.

Third, the appointment of boundaries commissions will be more transparent. The chair of each commission will continue to be appointed by the chief justice of the province. In appointing the other two commissioners, the Speaker of the House of Commons will have to publicize openings, solicit applications for positions, and consult widely before making appointments. These new requirements will make for a more open and, it is to be hoped, a more transparent process.

Fourth, more public participation will be encouraged. Bill C-69 requires that, at the beginning of the readjustment process, commissions publish a notice of population figures and also of their work plans, and invite submissions from the public. I am certain that this will encourage more public participation in the readjustment process.

In my own city, for example, the rivers form a very natural geographic boundary: The Red River goes north and south, and the Assiniboine goes east and west. It has always been of some confusion to Manitobans, and in particular to Winnipeggers, when constituencies bounce back and forth across the rivers, sometimes encompassing both sides of the river. It has always made more sense to consider the geographic highlights of the two rivers.

Fifth, the public will have alternate plans to consider. The bill requires boundaries commissions to prepare three alternate maps, instead of only one under the current process, showing how the ridings could be set out within the province. The commissions would indicate and justify their preferred options, giving reasons, but the other two additional maps would assist members of the public who wish to make submissions. I believe that these new requirements will favour more informed public debate and give the public a greater say in how ridings are devised in their province.

Sixth, a second set of public hearings can be held where necessary. When, in response to public comments, a commission makes changes to the proposed boundaries of a riding which would affect 25 per cent of the riding's population, Bill C-69 provides that a second set of public hearings would have to be held. This change recognizes and reflects the importance of public participation in the process.

Seventh, the discretion of the boundaries commissions to create ridings that go beyond the 25 per cent variance is limited. Recognizing that in exceptional circumstances there may be a need to allow for ridings that vary by more than 25 per cent from the provincial quotient, the bill maintains the authority of the boundaries commissions authority to create exceptional ridings.

Again, when I look at my own province, it is important for those of you who are familiar with Manitoba to realize that we have one riding, Churchill, which makes up two-thirds of the geographic area of the province. If we did not have a 25 per cent rule but accepted the 15 per cent rule recommended by the Lortie commission, the Churchill riding would make up 75 per cent of the geographical area of the province of Manitoba. It is already an extremely difficult constituency for any member of Parliament to represent adequately. If the geographic mass were increased, it would become that much more difficult.

However, the bill limits the exercise of that discretion to extraordinary circumstances where the population is more than 25 per cent under the provincial quotient and where the riding is isolated or not readily acceptable from the rest of the province. That certainly describes Churchill. In addition, the bill requires that the commission indicate the reasons for such a determination in its report. I believe that this will favour a responsible and consistent exercise of this discretion.

The eighth improvement is that the criteria to be used by commissions in drawing constituency boundaries are clearer. The bill sets out more detailed criteria to be used by the commissions in drawing the electoral maps, including community of interest, which is now clearly defined, manageable geographic size, and the probability of future population growth.

The ninth proposal which I think is worthy of notice is that the commissions' proposal will no longer be reviewed by a parliamentary committee. Considering that MPs should participate in public hearings like all other Canadians, the bill does away with the added scrutiny by a parliamentary committee of the boundaries commissions' proposal.

[*Translation*]

In the end, new ridings would come into existence more quickly than under current legislation. Bill C-69 provides that the process of electoral boundary readjustment would take a total of two years, that is, three months less than the current process.

[*English*]

By adopting Bill C-69 before the summer break, the Senate can thus ensure that new boundaries based on the results of the 1991 census will be in place by June of 1997, long before the next anticipated general election.

Honourable senators, this bill contains an impressive set of improvements that will result in a more open, effective and efficient process for readjusting electoral boundaries. The standing committee and the government have done a thorough job in bringing this bill forward, and Bill C-69 is a significant achievement.

I am confident that honourable senators will see fit to lend their support to this legislation.

**Hon. Lowell Murray:** Honourable senators, let me begin by thanking the sponsor of the bill, the Honourable Senator Carstairs, for having outlined so thoroughly and so well something of the background and history of this bill and its provisions.

She will perhaps not be surprised to learn that, on the basis of the same factual information which she has presented today, we on this side draw quite different — indeed, in some cases diametrically opposed — conclusions.

That being said, however, I do appreciate the clarity with which she has outlined the provisions of this bill, thereby saving me and the Senate some time in addressing its provisions in a detailed way.

• (1500)

There are three points that I wish to make at this stage of the bill. First, the improvements to the redistribution process contained in this bill are really quite insignificant when put forward as justification for trashing two years of work by the existing boundaries commissions and starting all over again and redoing the redistribution process of the 1990s. The honourable senator who sponsored the bill said that the government and the House of Commons committee had decided that the process was in need of a thorough review and update. I do not doubt that the process received a thorough review by the Commons committee. However, the changes proposed and the revisions to the act could hardly be described as extensive.

Second, there are some provisions in this bill which, in my opinion — and here again I differ with Senator Carstairs — are regressive. They are the result of a successful attempt by incumbent members of Parliament to tilt the process further in favour of retaining existing riding boundaries. Senator Carstairs sees considerable virtue in that. For my part, I believe that these provisions threaten to undermine the constitutionally protected right that each of us has as a citizen to a relatively equal share of voting power.

Third, I express disappointment that the Commons committee which drafted most of this bill and the government which has taken ownership of it have suffered such a failure of political will that they ducked two issues most conspicuously in need of reform. I refer to the 25 per cent maximum tolerance by which the population of a riding may deviate from the provincial quotient, a maximum which, in my opinion, should be reduced. I also refer to the need to limit the growth of the House of Commons. If either or both of those reforms had been contained in this bill, then it would be reasonable and proper to cancel the exercise of the 1990s and start all over again. As it is, there is no such justification in this bill.

Honourable senators, I wish to give you a very brief status report on the present boundaries commissions and where we stand. The boundaries commissions were appointed in September 1993. They drew up and published their preliminary maps. They had begun or were about to begin public hearings when Bill C-18 came along in the spring of 1994. Bill C-18, as honourable senators know, would have wiped out the whole process at that point. Thanks to the stand taken by the Senate on Bill C-18, the boundaries commissions completed their public hearings late last spring or early summer, and some time later they brought in the revised maps.

I wish to say something about that revision process. Senator Carstairs stated that there had been severe criticism of the preliminary maps brought in by the commissions. I think we all know where it came from. The criticism within the Liberal caucus is what gave rise to Bill C-18. Be that as it may, I invite honourable senators to take a look at what has happened since the preliminary maps were published. Public hearings were held. On the basis of those public hearings, very extensive revisions were made to the preliminary maps. I am informed, for example, that in the province of Ontario, the boundaries of 76 ridings were changed between the first map-making and the second. In Quebec, more than half of the ridings were changed in the revisions. In British Columbia, all but five of the riding boundaries were changed. I am aware of important changes that were made in Nova Scotia respecting Cape Breton and also the western end of the province.

The process that was put in place 30 years ago, the arm's-length, independent, objective process, providing, as it does, for public hearings, proved its worth again in the 1990s, as it has for the past 30 years.

**Some Hon. Senators:** Hear, hear!

**Senator Murray:** In the present process, 60 days are allowed for a House of Commons committee to discuss the revised maps, and a further 30 days are provided for the commissions to consider what was said in the House of Commons committee debate. It remains that we are 90 days away from the proclamation of final maps. We are being asked in Bill C-69 to trash the whole process and to go to the trouble and the expense of appointing new commissions, making new maps and having new hearings all over again. That is what we are being asked to do in Bill C-69. I ask you, what possible justification is there for taking this extraordinary step?

Senator Carstairs has mentioned some of the changes to the process. First, there is a change to the process of appointing the commissions. The present law provides that a judge will be the chairperson of each commission. There is no change there. The present law provides that the Speaker of the House of Commons will appoint the other two members of each commission. There is no change there. The only change is that before the Speaker appoints his two members, he has to call for applications from the public. He receives the applications, considers them and then makes his appointments.

Let me quote the provision:

> 9(5) The Speaker of the House of Commons shall make the appointments referred to in subsection (4) from among the applications referred to in subsection (2) that are received by the Speaker or from among such persons as the Speaker deems suitable.

I draw your attention in particular to the last part of that provision.

To say that this change is marginal is to dignify it. The fact that the Speaker can appoint whomsoever he pleases, regardless of the applications he has received, indicates how meaningless that change can be.

• (1510)

By the way, there is a provision in the present law requiring that you must be resident in the province for which the commission is appointed in order to be appointed a member of that commission. There is no such stipulation in Bill C-69. I prefer to believe that this was a mere oversight by the drafters of the bill, rather than that the government had anything sinister in mind. However, it is an important point, and we will want to have an official explanation before we finally dispose of this bill. It is a matter of detail, but a matter of important detail. Of course, it can be corrected by the Senate by way of a simple amendment. In that connection, I cannot forbear to remark that this is exactly the kind of correction that could be brought to a bill if the government would come to its senses on the question of pre-study. However, that is a matter for another day.

The other change — and this was described in more detail by Senator Carstairs — is the change to the way the commissions will operate. Presently, the commission is appointed, maps are drawn up, public hearings are held, revised maps are brought in. There is 90 days for parliamentary consideration and review thereof, and final maps are proclaimed.

Under Bill C-69, the commission will be appointed. The commission will put out a public notice with population figures indicating how they intend to go about their work. Written submissions are invited for 30 days. Then, three alternate maps in each province are brought forward, and the commission must indicate which is its preferred option. Public hearings are held, and then a final map is brought in. If the final map differs radically from the maps that were on the table in the first round, then there is a provision, as Senator Carstairs pointed out, for a second round of public hearings.

Honourable senators, these changes may well turn out to be more constructive than cumbersome, although cumbersome they are. I have no difficulty in supporting them. I hope they work. I support them on the basis of their stated objective, which is to increase transparency and to increase public participation in the process.

However, the question remains — and for the Senate it is the pivotal question here — whether the changes proposed in Bill C-69 are so profound, so fundamental, and so far-reaching as to warrant starting this process all over again for the decennial redistribution of the 1990s. I remind the Senate that, not only is there an expense of $5 million or $10 million involved here, there was considerable inconvenience to hundreds of Canadians across the country who came out or sent briefs to the boundaries commissions that met. Their representations, as I indicated earlier, were of some effect. Many revisions were made by the boundaries commissions in their second map.

I wish to draw the attention of honourable senators to two constructive changes made in the bill. One is the quinquennial census that would take place. It would not affect the number of seats to which a province was entitled but would result in a readjustment of boundaries in any province in which there had been dynamic population shifts between the time of the decennial census and the quinquennial census five years later.

The other change that I regard as quite constructive is the one that eliminates the parliamentary stage. I do not believe that members of the House of Commons are entitled to any more voice in this process than other citizens. I welcome that change in the bill. It is a welcome exception to the general orientation of this bill, which, as I indicated earlier, is to reinforce existing riding boundaries and thereby, in my opinion, undermine the concept of relative equality of voting power.

I ask honourable senators to bear with me for a few minutes on this subject. Experience shows us that there is a presumption, obviously, in favour of existing riding boundaries. The boundaries commission has to start somewhere, and it is going to start with the existing riding boundaries. It was not necessary for the government to instruct the House of Commons committee, as it did in the mandate, to consider whether the boundaries commission should start on the basis of existing riding boundaries. I think it is obvious that they do that already. The members of the House of Commons committee were quick to rise to the occasion and quick to grab the opportunity to load the process further in favour of existing riding boundaries, and they have an obvious conflict of interest in this respect.

Bill C-69 loads the process in favour of existing ridings in two ways. First, there will be no decennial redistribution in any province which has the same number of seats as it was entitled to at the previous census and in which none of the ridings deviate

by more than 25 per cent from the provincial quotient. Senator Carstairs sees a great deal of virtue in this provision. Indeed, she welcomes a provision which will result in there being no redistribution in the provinces of Manitoba and Saskatchewan, as well as Prince Edward Island, on the basis of the 1991 census.

I wonder whether the sponsor of the bill, the Honourable Senator Carstairs, who represents the province of Manitoba and the city of Winnipeg in this place, has considered the implications of that for her province. I believe this provision illustrates why the 25 per cent maximum tolerance is excessively generous and ought to be lowered. You will have ridings bumping up against the 25 per cent limit and, yet, no remedy because there will have been no redistribution. Let me take the example of Manitoba and Saskatchewan. Manitoba will have 14 seats as a result of the 1991 census, the same number as it had after the 1981 census, but there have been noticeable shifts in population within the province of Manitoba between 1981 and 1991. Those population shifts led the boundaries commission for Manitoba to redraw the maps in such a way that the Winnipeg area, which has 60 per cent of the population of Manitoba, would have eight seats and the rest of the province six. That is what the boundaries commission for Manitoba recommended. Public hearings were held, and the boundaries commission for Manitoba stayed with that recommendation in their revised maps.

If Bill C-69 goes through, not only will those maps be cancelled, but there will be no new redistribution in Manitoba. Redistribution commissions will be appointed in seven provinces, but Manitoba, Saskatchewan and Prince Edward Island will have no redistribution. At the present rate of population change, by 1997, which is the most likely election date, Winnipeg South would be 32 per cent above the quotient; Winnipeg North would be 28 per cent above the quotient; St. Boniface would be 22 per cent above, while Dauphin—Swan River would be 22 per cent below the quotient; Winnipeg—St. James would be 16 per cent below; and Lisgar—Marquette would be 19 per cent below. The populations in those ridings in Manitoba will range from about 63,000 in Dauphin—Swan River to 107,000 in Winnipeg South.

• (1520)

I am curious whether honourable senators from Manitoba really intend these results from this legislation. It is true that, thanks to the provision for a quinquennial redistribution, these discrepancies are such that they will trigger such a quinquennial redistribution in Manitoba after the 1996 census. However, that redistribution will not take place in time to affect the next election. There will be serious and growing disparities in the province of Manitoba beyond the next election.

In Saskatchewan, the situation is not quite as dramatic. The shifts in population have not been as drastic. However, the shifts were important enough to warrant a redistribution when the boundaries commission met. Because of the shifts in population, the boundaries commission recommended the creation of four mixed urban-rural ridings in each of the Regina and Saskatoon areas to reflect the changes in population which had occurred between 1981 and 1991. To some extent, it was perhaps an attempt to anticipate the changes which would take place over the next few years.

The Saskatchewan maps, too, will be scrapped. There will be no redistribution, no commission appointed under Bill C-69 for the province of Saskatchewan. As a result, by 1997, Saskatoon-Clark's Crossing will be 27 per cent above the quotient; Saskatoon-Dundurn, 22 per cent above; Kindersley, 19 per cent below and MacKenzie 20 per cent below.

Contrary to the view expressed earlier today by the sponsor of the bill — let me say this, honourable senators — there is a national census every 10 years. There ought to be a redistribution commission appointed in every province every 10 years. That redistribution commission should take an objective look at the situation with a view to reinforcing relative equality of voting power. Maps should be produced; public hearings should be held. If, as a result of that process, it is determined that minimal changes ought to be made to existing boundaries, or that no changes at all should be made — and that was the case with Prince Edward Island this time — then so be it. That result will have been the outcome of a proper process.

However, it should not be possible, as it will be under Bill C-69, to simply cancel any redistribution process in a province on the basis of an arbitrary, mathematical criterion, especially one as excessively generous as the 25-per-cent rule.

There is another way that the House of Commons committee and the government are trying to tilt this process in favour of existing riding boundaries. They are writing into this bill provisions which will have the effect — and can only have been intended to have the effect — of undermining the application of the principle of relative equality of voting power.

They start off innocently enough in clause 19(1), where it is stated as a guiding principle that "effective representation" be the paramount consideration in drawing up riding boundaries. They then go on to stipulate that the population of each riding:

> ...shall, as closely as is reasonably possible, correspond to the electoral quota for the province....

So far so good, honourable senators. Then we get to clause 19(2)(*b*), where they instruct the commissions to consider a number of criteria in determining reasonable electoral district boundaries. They mention community of interest, a manageable geographic size, and the probability of a substantial increase in the population of a riding in the next five years. There is no objection to those criteria.

Then, in clause 19(2)(*c*), they give this instruction to the boundaries commissions:

> (*c*) the commission shall recommend changes to existing electoral district boundaries only where the factors considered under paragraph (*b*) —

— those are the criteria I mentioned —

> — are sufficiently significant to warrant such a recommendation.

Honourable senators, that clause is intended to modify further the principle of relative equality of voting power. It has the potential to frustrate that principle. When you combine that with the 25-per-cent maximum tolerance, the law states that less and less importance is to be attached to relative equality of voting power. More and more importance is to be attached to existing riding boundaries and various other criteria. As a layman, I must say, I wonder about the constitutionality of a provision of that kind.

What justification is there for an explicit bias in the law towards existing riding boundaries? With all due respect to our friends in the House of Commons, they have to be reminded that the redistribution law and the redistribution process are not intended primarily to serve the interests of incumbent members and their political organizations. There are more important principles and more important values to be respected in this process.

This attempt did not begin yesterday, nor did it begin with the present majority government in the other place. In fact, it has been going on for some time. This is another attempt to chip away at the principles of "rep. by pop." and of relative equality of voting power. It seems to me that members of Parliament who are concerned about the democratic system and its credibility and committed to its vitality should want to reinforce these principles rather than see to their erosion.

I mentioned a minute ago the constitutionality of this provision. I just want to share with honourable senators a couple of sentences from Madam Justice Beverly McLachlin when she sat on the bench of the British Columbia Court of Appeal. Granted, she was speaking about a situation in the British Columbia electoral map. In any event, I share this paragraph with you:

> It is impossible to justify many of the inequalities of the current British Columbia electoral map on the basis of other factors. While history probably plays a large part in many of the boundaries, the Attorney-General does not assert that history alone justifies anomalous populations within electoral districts; there are better ways of fostering a sense of history among people of different regions than perverting the electoral process.

• (1530)

In the same vein, honourable senators, I think it is regrettable that the Commons committee missed an opportunity, given in the mandate from the House, to deal with limiting the growth of the House of Commons. As matters now stand, there will be 301 seats in the House of Commons at the time of the next election. After the census of 2001, there will be 309 members. After the census of 2011, there will be 314 members. The Commons committee suggested that another committee be appointed down the road to look into this matter. I am the first to agree that this is a complex matter and factors such as the Senate floor provision are very difficult to change. The so-called Senate floor now maintains the representation of two provinces — Prince Edward Island and New Brunswick — somewhat higher than they would otherwise be. This provision can only be changed by constitutional amendment requiring unanimous consent of the provinces.

The Senate floor provision which, as I have said, now protects two provinces, was overtaken in 1985 by another amendment which provides that no province shall have fewer seats than it had after the 1970s redistribution. That amendment protects five other provinces at a level of representation somewhat higher than they would otherwise have, those being Quebec, Manitoba, Saskatchewan, Nova Scotia, and Newfoundland.

The Royal Commission on Electoral Reform and Party Financing said that the guarantee that no province's seats will ever fall below the number it had in 1976 cannot be justified with reference to any principle of representation. That provision could be changed by amendment to, I believe, section 51 of the Constitution by Parliament acting alone. No provincial consent is required.

Some provinces would lose seats, as I have indicated, but there are ways of cushioning the loss, short of sticking with the 1985 amendment. I think that that would be acceptable if pursued as part of an objective of limiting the growth in the House of Commons because, in my humble opinion, public opinion would respond quite positively to even modest steps taken in the direction of limiting the growth of the House of Commons.

Honourable senators, I believe that the disposition, certainly on this side of the house in Her Majesty's Loyal Opposition, is to let this bill go to committee right away, unless some other honourable senator wishes to speak at second reading. That being said, I hope it is clear that we have quite considerable reservations about this bill. While realizing that there are time pressures associated with the bill, we do look forward to canvassing those reservations in the committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Carstairs, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## SECURITY AND INTELLIGENCE

POSSIBILITY OF ESTABLISHING SENATE COMMITTEE— DEBATE CONCLUDED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Kelly, calling the attention of the Senate to the desirability of considering at this time the establishment of a Standing Senate Committee on Security and Intelligence. — (*Honourable Senator Kelly*).

**Hon. William M. Kelly:** Honourable senators, I think it is time for me to close the debate on this inquiry.

**The Hon. the Speaker:** Honourable senators, I wish to remind you that if Honourable Senator Kelly speaks now, his speech will have the effect of closing the debate on this inquiry.

**Senator Kelly:** Honourable senators, I will be brief. I want to thank Senator Corbin for his intervention on this debate. I have always thought that the more we discuss these issues, the more we both demystify our security intelligence apparatus and come to grips with its relevance in today's world.

In closing the debate, allow me to review certain events which have occurred since I initiated this inquiry on February 14. Of course, there has been the shocking and tragic Oklahoma City bombing and the inevitable copycat bombings from California to Charlottetown. They have demonstrated once again that no one, anywhere, is immune from the senseless scourge of terrorism.

Oklahoma City was also a manifestation of a growing but particularly insidious and dangerous form of terrorism described as right-wing terrorism. Right-wing terrorism raises a panoply of new issues. It is domestic in origin and base. It arises not out of exotic foreign conflicts, but out of home-grown, economic and social issues. The ground on which it is nurtured is the middle class, your neighbours and mine. Right-wing terrorism is nurtured by the cleavages caused by the erosion in economic status and prospects that manifests itself in extreme anti-government feelings, ethnic and racial hatreds, et cetera. The line between right-wing terrorism and criminality is hard to define.

As the Senate terrorism committee observed, the police and security intelligence agencies have historically been more attentive to foreign and left-wing terrorism than to right-wing terrorism. Our knowledge base and our counter-measures — in other words, our overall readiness to respond — are, therefore, less developed.

Lest someone claim that Canada is immune from such things, Warren Kinsella — no relative of the Honourable Senator Kinsella — a recognized Canadian authority on right-wing terrorism, writes:

> Across Canada, in every region, in almost every town and city, the web of hate continues to spread.

I also wish to point out that in January, 1995, CSIS, through a remarkably prescient public report, forecast incidents such as the Oklahoma City bombing. The report pointed to the increasing threat from right-wing domestic groups and indicated that likely targets were non-military, non-diplomatic government buildings. The report suggested that car bombings similar to that used at the World Trade Centre presented the most likely scenario. I summarized the major findings of that report in a speech I made here on March 22. The CSIS report received no media coverage. Ironically, after the Oklahoma City bombing an excellent B'nai Brith report, which reached essentially the same conclusions, received considerable media attention.

Since my last remarks, we have also had the "discovery" by the media of Mr. Grant Bristow after SIRC stated to a committee in the other place that it did not know where Mr. Bristow was.

Finally, since my last remarks, the government has moved to bring the Communications Security Establishment under independent review.

My points, honourable senators, in conclusion are these: First, the threat of terrorism has not waned. Instead, it has metamorphosized into a different but potentially more dangerous form from which Canadians are not immune.

Recent events have demonstrated that, in many ways, CSIS at least is ahead of events in its threat assessments. What we do not know is to what extent those threat assessments are communicated and acted on throughout the government.

Lamentably, SIRC has not, at least in the public mind, covered itself with laurels as an effective and credible external review body during the tortuous meanderings of the "Heritage Front affair." Rightly or wrongly, SIRC may be beyond redemption as a politically and publicly credible review agency.

Finally, while the CSE is being brought under a review mechanism, accountability to Parliament has not been improved, nor have the remaining dozen or so organizations that constitute the federal security intelligence establishment been brought under external review.

For these reasons, I persist in the belief that we do require a parliamentary review mechanism with a mandate similar to the one I set out on February 14. For the reasons put forward by Senator Corbin during his speech on April 4, I persist in the belief that the Senate is the appropriate home for such a mechanism.

• (1540)

## CANADA-CHINA RELATIONS

### MOTION RESPECTING HUMAN RIGHTS IN CHINA AND TIBET— ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Di Nino, seconded by the Honourable Senator Keon:
>
> That the Senate urge the Government of Canada to express concern over continuing reports of violations of human rights and fundamental freedoms in China and particularly Tibet by local, provincial and national authorities and severe restrictions on the rights of citizens to freedom of assembly, association, expression, religion, as well as to due legal process and fair trial; and
>
> That the Senate urge the Government of Canada to encourage the People's Republic of China to take further measures to ensure the observance of all human rights, including the rights of women and children, and to improve the impartial administration of justice; and
>
> That the Senate request the Government of Canada to encourage the government of the People's Republic of China to allow foreign delegations to Tibet to study the human rights situation, the state of religious freedom, the status of women, the treatment of Tibetan children and prison conditions; and

That the Senate urge the Government of Canada to extend support to Tibetan people in their struggle to regain their freedom and the presentation of their culture; and

That the Senate encourage the Government of Canada to support the non-violent efforts of his holiness, the Dalai Lama, to resolve the issue of Tibet, particularly the Dalai Lama's campaign to make Tibet a zone of ahimsa, non-violence, through demilitarization and the protection of Tibet's natural environment; and

That the Senate implore the Government of Canada to ask the Chinese authorities to commence negotiations with his holiness, the Dalai Lama, and to the Tibetan government in exile and representatives of the People's Republic of China on the future of Tibet without preconditions. — (*Honourable Senator Perrault*).

**Hon. Consiglio Di Nino:** Honourable senators, I should like to ask the Honourable Senator Perrault when he intends to address this motion.

**Hon. Raymond J. Perrault:** That is one of the better kept secrets, honourable senators. The subject is being researched now. I will be delighted to apprise the honourable senator of the scheduled date of my speech in due course.

**Senator Di Nino:** That sounds like I will have to wait forever.

**Senator Perrault:** No, honourable senators; this is an important subject. I never wait "forever" when it comes to matters of human rights.

**Senator Di Nino:** I look forward to the response of the honourable senator.

Order stands.

## TRANSPORT

### PEARSON INTERNATIONAL AIRPORT—MOTION TO STRIKE SPECIAL COMMITTEE TO INQUIRE INTO PRIVATIZATION CONTRACTS—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Lynch-Staunton, seconded by the Honourable Senator Berntson:

That a special committee of the Senate be appointed to examine and report upon all matters concerning the policies and negotiations leading up to, and including, the agreements respecting the redevelopment and operation of Terminals 1 and 2 of Lester B. Pearson International Airport and the circumstances relating to the cancellation thereof;

That seven senators, designated by the Committee of Selection no later than two weeks after adoption of this motion, act as members of the special committee, and that three members constitute a quorum;

That the committee have power to send for persons, papers and records, to examine witnesses under oath, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have the power to sit during adjournments of the Senate;

That the committee have power to retain the services of professional, clerical, stenographic and such other staff as deemed advisable by the committee;

That the committee have power to authorize television and radio broadcasting, as it deems appropriate, of any or all of its proceedings; and

That the committee present its final report to the Senate no later than one year following the striking of the committee.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I rise today to respond to the motion introduced in this place by the Leader of the Opposition to set up a special committee of the Senate to inquire into the whole issue surrounding the proposed redevelopment of infrastructure and services at Pearson International Airport.

As colleagues on both sides of the house will know, this issue has been before Parliament since Bill C-22 was introduced in the House of Commons on April 13, 1994. It has been before the Senate in one way or another since that legislation first appeared here on June 16, 1994.

To say the least, it is a tangled web which spreads over some six years, involving a broad area of private business interests, public servants, politicians and many lawyers. It involves the former government, which negotiated the deal, and the current government and its policy to cancel that deal and come up with a new arrangement to make the changes necessary to maximize opportunities for a great airport and the people whom it serves. It also involves a potential liability to Canadian taxpayers of several hundred million dollars.

This potent mixture of competing and conflicting interests and vast amounts of money, not surprisingly, has resulted in controversy and anger, in harsh words and bitterness on all sides, and in an overwhelming frustration that the object of the whole exercise — the airport itself — is suffering and falling behind.

When Senator Lynch-Staunton introduced this motion he said:

> I want to make it clear at the outset, honourable senators, that it is with little enthusiasm that I rise to ask support for this motion.

Honourable colleagues, today, whatever else our differences may be, I thoroughly agree and share with him that lack of enthusiasm. Clearly, this is not our initiative.

Senator Lynch-Staunton also said:

> Let me be absolutely clear and unequivocal about one thing. Whatever the ultimate fate of Bill C-22, it in no way has any bearing on the motion before us, as far as this side is concerned. Our challenge to the bill is on constitutional and legal grounds....There is, in our minds, absolutely no connection between Bill C-22 and the motion, and anyone suggesting one is barking up the wrong tree...

Honourable senators, I share that conviction with the Leader of the Opposition and repeat, as I have so often in this house, that I continue to retain a stubborn optimism that we can resolve outstanding issues on Bill C-22 and reach an accommodation among ourselves that will result in its passage as soon as possible.

The Leader of the Opposition succinctly described this motion as striking a special committee which would examine the policies behind his government's preparing a request for proposals for Pearson airport, the bidding process, the negotiations, the agreements themselves, their cancellation and, perhaps, from his point of view just as important, some critical statements with which he and his colleagues take considerable offence. That is what is before this house today.

Honourable senators, we on this side will not oppose this motion.

**Some Hon. Senators:** Hear, hear!

**Senator Fairbairn:** We will engage fully and actively in the committee study. We are in a minority in this house and in all of its committees. We will take our responsibilities seriously to ensure that the process is fair and balanced. We will seek to help to produce a result which will clear the air surrounding the Pearson airport issue. If it requires a year, so be it. If it can be concluded sooner, so much the better for everyone concerned. We on this side have a strong commitment to make sure that the taxpayers of this country have the greatest possible degree of protection in this dispute.

Honourable senators, as many of you have observed, it has taken some time for me to respond to this motion. It has not been a question of stalling, something which I think was recognized by Senator MacDonald at one point. Rather, it has been a question of studying very carefully the motion itself and trying to develop a realistic idea of what will be involved in this exercise. This is an intricate and complicated file. It must be pursued with care so that the wide-ranging objectives contained in the motion can be explored fully in order to achieve an understanding of the changes over the last six years which have resulted in concerns, in confusion, in controversy and in cancellation.

I do not intend to spend much time going over the ground that I have covered before in a speech in this house, as well as the answers I have provided in many, many Question Periods. We all know that this issue exploded during the election campaign of 1993. At the heart of that explosion was a fundamental objection that a deal of this size and this nature had been signed and sealed in the heat of the campaign rather than waiting a few more days for a new government — whatever its label — to deal with it and with the questions which had been raised outside the partisan glare of the election process.



Had that occurred, honourable senators, we might not have this motion before us today. However, in life and in politics, you cannot go back. Thus, we move ahead. We make sure that this particular exercise is carried out in a manner that maintains the credibility of this house in keeping with the strong tradition of the Senate committee system.

• (1550)

The special committee will be guided by the reference honourable colleagues opposite seek to have adopted. That reference calls for the Senate Committee of Selection to designate, within two weeks of the adoption of the motion, seven senators as members of the special committee. The reference then declares the powers that it seeks. The traditional words are familiar, but it is perhaps worthwhile to note the wide scope of their application on this particular issue.

The motion would give the committee the power to send for persons, which is a regular thing for a committee to do. This would include both current and former public servants, current and former Privy Councillors and people involved with the airport from the private sector. It would include the business people, the lawyers, the consultants and the lobbyists who were involved in the agreements or who have knowledge about them. The reference asks that the committee have the power to send for papers and records. Again, those are traditional things for a committee to do.

Honourable senators, there are over 100,000 documents dealing with the Pearson airport issue in the possession of the federal government. Undoubtedly, thousands of documents relevant to the matter are in the private sector in the files of various lawyers, business people, corporations, consultants, lobbyists, or even independent researchers. They would perhaps be of interest to the committee. This could also involve various municipal governments of the greater Toronto region, an area of relevance to the committee.

The reference also proposes that the committee have the power to examine witnesses under oath. I must confess that I do not know exactly why that is specified in the motion, because it is my understanding that section 10 of the Parliament of Canada Act already gives all Senate committees the power to administer an oath to any witness. I do not recall other occasions on which the Senate has formally included this power in a reference to a committee. However, it is there and it is an important part of the reference as well.

The reference also proposes that the committee have the power to sit through adjournments of the Senate. In view of the obvious magnitude of the task being assigned to it, the committee's members will have a special challenge, being active during scheduled adjournment periods.

The reference also states that the committee have the power to retain the services of professional and such other staff as deemed advisable by the committee. That is reasonable. In view of the complexity of the issue, the committee may find it desirable to consider retaining the services of legal counsel to ensure balance and fairness. Perhaps more than one counsel will be required.

Also, since so much of the discussion and the paperwork around the Pearson airport agreements involves complex financial matters, there could be a requirement for the services of an investigative auditor or forensic accountant, whatever the current word is.

Honourable senators, all in all, with this simple term of reference there is an enormous task ahead. I know, and the Leader of the Opposition made it clear in his remarks when introducing this motion, that this study is being conducted against a background of resentment on the part of colleagues opposite to statements made by some government spokespersons.

Honourable senators, on Parliament Hill we live in a political environment unlike any other in the country. Heated disagreements and actions very often provoke heated rhetoric which reverberates well beyond the corridors of this place. That is certainly not new to this house, and I can assure honourable senators that a number of regrettable actions and remarks from former government voices in recent years prompted very strong feelings of indignation among my colleagues when we were on the opposition benches. However, in all of these circumstances, the work of the Senate must go on.

The challenge of this special committee will be to maintain a process that is open, fair and thorough, to get the job done. In that respect, I refer to a clear and, I must say, reassuring statement by Senator Lynch-Staunton in a recent interview in which it was suggested that there might be some scepticism about the committee because it would be dominated by a majority from the opposition. He said the members:

> ...would have to bend over backwards to be unpartisan. We'll give everyone a chance to testify and make sure the report is fair to everyone.

Honourable senators, we on this side will do our part.

In concluding his introduction of this motion, Senator Lynch-Staunton quoted from *Othello*. I offer *Hamlet*. In Act I, Scene 3, Polonius sends Laertes out into the world with these words:

> This above all: to thine own self be true,
> And it must follow, as the night the day,
> Thou canst not then be false to any man.

**Hon. Noël A. Kinsella:** Honourable senators, many of us on this side welcome the support of the Leader of the Government for this motion. Indeed, a tangled web it is. How much better it would have been had the government not refused to set up an independent inquiry to inquire into all aspects of the Pearson contracts.

However, we welcome the support of the Leader of the Government in the Senate, such that the Senate at least will not only be seen to be doing its duty, but indeed will to the best of its ability do its duty.

In that context, the question must be asked: Why is it imperative that the Senate act if the government has determined this matter not to be worthy of investigation? The answer to that question, honourable senators, flows directly from one's view of the role and function of this chamber in Canada's central Parliament.

From a review of the Confederation documents it can be concluded that the purposes of the Senate are, yes, to review legislation, but also to protect minorities and interests.

The Senate provides an institutional voice to small governments and perhaps to minority groups against the popular majority of the lower house. Indeed, we need look no further than the words of Sir John A. Macdonald who put forward a clear vision of the role of the Senate as a check on the power of the House of Commons when he said, during the Confederation debates of 1867:

> There would be no use of an upper house, if it did not exercise, when it thought proper, the right of opposing or postponing the legislation of the lower house. It would be of no value whatsoever were it a mere chamber for registering the decrees of the lower house.

• (1600)

It is, honourable senators, the role of this chamber to protect minorities, to be the protector of the people of Canada. Against what? Against the abusive exercise of power by the executive and by the House of Commons. That is why the Senate must act in this instance under the circumstances of the government failing to act.

It was Edmund Burke, who in a speech delivered in 1771 stated:

> The greater the power, the more dangerous the abuse.

A corollary of this statement would seem to then be, "The greater the need for a check on the abuse of power."

How can the Senate act to rein in the abuse of power? It has, as we know, a scrutiny of legislation role which it has exercised in relation to Bill C-22. The subject matter of Bill C-22 has become one of those cases where the exercise of political power by the cabinet has not been bridled or reined in by members of the other place.

Faced with what a December 15, 1994 editorial in *The Globe and Mail* described as "...one of the most arbitrary and arrogant pieces of legislation to come before Parliament in recent memory," members of the other place, not once but twice, failed to put a check on this extraordinary abuse of power by the government. Therefore, it has fallen on the Senate of Canada to do its duty and meet the responsibility as parliamentarians to scrutinize a piece of government legislation which, many have stated, finds the government attempting to overstep its constitutional limits.

Gerald Chipeur, chair of the Canadian Bar Association's constitutional and human rights law section, stated in an early December appearance before the Standing Senate Committee on Legal and Constitutional Affairs that the Senate has a duty to protect individual rights by refusing to pass laws that are unconstitutional. He said:

> I think Parliament has a duty to act consistent with the Constitution. Parliament has to take its duty to protect individual rights seriously.

Honourable senators will recall that our concern was the rule of law issue relating to the right to a fair and independent hearing. We have objected to the proposal in this bill that provided that any claims arising from the cancellation can only be evaluated and awarded by the government or the Minister of Transport.

It has been stated many times by members on this side of the chamber that, while we may not support the cancellation — and, indeed, there is evidence that this was a good deal, whereby for every dollar the consortium earned, the taxpayers of Canada would have earned two — we do not question the right of the government to proceed with the cancellation.

In mid-December, the government proposed amendments to Bill C-22 which would now allow some access to the courts. This new version of Bill C-22 is presently being studied by the Standing Senate Committee on Legal and Constitutional Affairs. These amendments, although they allow court adjudication, still contain serious flaws. They restrict the matters for which claims can be made. This list includes claims for defamation. Surely a government which is attempting to reach a solution with clean hands would not have found this necessary. Even so, the Minister of Transport, Mr. Young, made it amply clear that he would not have made even these limited changes to the bill if the Tory majority in the Senate had not tripped him up.

We should not find it surprising that, when the Senate acts as a check on the power of the government, such action will not be popular, especially with the government of the day. It is unacceptable to this side of the chamber to allow to go unanswered a charge by a government member, such as that made by the Minister of Transport, that the Senate is opposing his Bill C-22 because the senators are motivated to help line the pockets of their Tory friends.

The record must be made perfectly clear as to why opposition senators are opposed to the provisions of Bill C-22. Opposition to Bill C-22 is on the grounds that it violates the rule of law and the Bill of Rights in its attempts to preclude adjudication by an independent tribunal or to limit matters on which adjudication may take place.

However, honourable senators, in the case of the Pearson airport contracts and the events surrounding their award, we are now dealing with more than mere scrutiny of legislation. We are dealing with the abuse of executive powers in a situation which has, indeed, become a web — a web involving maligning public officials and fabrications beyond anything seen in the history of this country. A vehicle had to be found to check this abuse and uncover the truth.

In normal circumstances, it is left to the courts or to Parliament to check abuse of power. Here, the use of the courts is to be precluded by Bill C-22. As well, the lower house of Parliament, because the Liberal majority is controlled by the executive, has failed as well. It is therefore left to the Senate to act by way of inquiry so that the facts can come out.

When the facts are known through an open inquiry process, then the public will also know. I underscore another terribly important reason for this inquiry to go forward, so that the public will know. The public will be able to see through that web, and the people can then act through this knowledge to protect their freedom. The people can unite to say, "No, we have had enough of deceit and innuendo. We will no longer suffer abuse of authority."

It has often been stated that the most important work of Parliament is that undertaken by its committees. The Senate committees have a good record for fine work, and there is little evidence of Senate committees conducting their work in a manner not fully respectful of the rights of all involved. That is especially true in relation to work with special studies or special inquiries. I believe it will be true in this case.

In fact, one of the great supporters of the work of Senate special committees was the former Leader of the Government in the Senate, the Honourable Paul Martin. In his memoirs, he noted that nothing prevents the Senate from setting its own course. The Senate, he argued, "...provides a useful forum for scrutiny and inquiry."

A Senate special committee of inquiry would, in reality, be an exercise in searching out the truth in relation to all matters concerning the Pearson airport contracts. This would seem to me to be an appropriate role.

Peter O'Keefe, Clerk Assistant in the Australian Senate, states in a 1992 article entitled *The Scope and Function of Parliamentary Committees*:

> Through their mobility, specialization, power, immunity, status, political skill and media attention, committees can draw to themselves information and confidence which others will not obtain. Adapting Aaron Wildarksy's great phrase, they can help truth speak to power and give voice to those who otherwise remain unheard by power.

I believe this is what we are trying to do in relation to the inquiry into the matters surrounding the Pearson airport contracts. In giving an opportunity for people to be heard, we must be careful not to stray into innuendo and the use of unsubstantiated phrases. Jerome Frank, one of the great American jurists, has likened the legal system to a search for truth. The truth, according to Frank, will emerge when two competent counsel are given the opportunity to question witnesses before an independent tribunal. This is the model the Senate committee might very well want to use. Senators from both sides of the house will be involved in this process. We will need to make sure that we maintain the search for truth as our guiding beacon throughout this inquiry.

• (1610)

Looking back over the history of this place, it is interesting to note that in 1932 a special committee of the Senate was established to review a report of a special committee of the House of Commons that had been established to investigate the Beauharnois power project in Quebec. The reason for establishing the Senate inquiry at that time was that three senators had been referred to in the House of Commons report. One was accused of having benefited financially from having used his influence as a senator to gain approval for the project, while two others were accused by the House of Commons report of securing large political contributions in exchange for their support of the project.

While the details of that case are not important, what is important and relevant to the debate here is the fact that the Senate was able to establish a special committee of inquiry, and that the Senate committee of inquiry was able to hold its hearings and render a report.

At that time, the committee retained legal counsel, as did the three senators whose actions were the subject of the committee investigation. All counsel submitted written briefs to the committee. Counsel for the committee and those representing the three senators were allowed to participate in the questioning. The committee sat between February 16, 1932, and April 6, 1932, hearing evidence. As well, it reviewed the exhibits presented to the House of Commons special committee and received a number of presentations of its own. The point is that the process seemed to work well, and the committee was able to complete its work and produce a report.

While every situation is different, there are similarities between the type of process used in the Beauharnois inquiry and that envisaged by the motion of the Leader of the Opposition in the Senate, now supported by the Leader of the Government in the Senate. Allegations have been made of wrongdoing. Names have been mentioned publicly. The name of at least one senator on the Liberal side has been bandied about quite openly in the press, while we on this side have been branded by the Minister of Transport as only interested in lining the pockets of our friends.

Departmental reports have recently come to light which should be the subject of scrutiny by a public body. The people of Canada should know what are the events surrounding the writing of the reports; who wrote those reports, and for what purpose; are their claims of great benefit flowing to the people of Canada from the Pearson contracts accurate? For example, the public servants maligned by the Minister of Transport as being sent home because the government did not like the kind of advice it was getting, they should have a forum in which to respond.

Honourable senators, this inquiry will be able to determine the truth of the statements being made that the actions of the senators on this side are holding up the redevelopment plans for Pearson airport; an allegation made often by the government seeking to blame others for its failed job strategy.

Honourable senators, a review of the *Rules of the Senate* indicates conclusively, in my judgment, that we have the procedures already in place to handle such an inquiry. The Senate can hold hearings of inquiry. It can summon witnesses. It can keep a transcript of its hearings. In that way, we can ensure that those who have been maligned — and this is important — have the opportunity to be heard, and we can demand the production of papers and documents pertaining to the contracts so that they can be reviewed. We can do all this in plain public view. We can review the evidence adduced, and we can write a report that would be made available to the public of Canada.

In conclusion, honourable senators, it is my belief that it is part of the role of the Senate to help keep in check the awesome power of government. This becomes a particularly important responsibility when the ministers of the government attempt to abuse the power of government in attacking the reputations of individual Canadian citizens as well as an institution of Parliament itself — this institution.

The Senate inquiry mechanism is a useful means that can be employed to examine the claim of the Minister of Transport that improper conduct was engaged in by the principals associated with the Pearson airport deal. As the Leader of the Opposition in the Senate has stated from the beginning, if there has been wrongdoing, then there should be an inquiry. Senator Lynch-Staunton has said:

> We have been calling for an inquiry since last April, but the government doesn't want to give us one.
>
> Better a Senate inquiry than no inquiry at all.

I believe that the Minister of Transport has abused his position, making accusations of wrongdoing and stating on national television that the opposition members in the Senate are holding up Bill C-22 in order to protect friends whose pockets have been lined by the previous government. This Senate inquiry, as proposed by Senator Lynch-Staunton, will provide a useful forum through which to get to the bottom of these serious charges and determine the truth, once and for all.

[*Translation*]

**Hon. Marcel Prud'homme:** Honourable senators, I will be very brief since we will probably get back to this very shortly. I must say that I am trying to understand.

First, independent senators are usually not very well informed, except when there is legislation. My thanks again to Senator Graham, who from time to time lets me know what is going on, including on those occasions when he needs unanimous consent.

In this particular case, I am told that the government, and that is its right, intends to accede to the request made by the opposition, which I regret. I realize that some people may not have appreciated the objections I raised on July 6 and 7. I think it would be helpful if I went back to what happened last summer.

[*English*]

It is good to look back at the debate which took place on July 6, 1994, especially for the new senators. On July 6, we were about to rapidly accept the report of the distinguished chairman of the Standing Senate Committee on Legal and Constitutional Affairs, almost without debate. I objected on that day. It was very difficult for me to give unanimous consent on a Wednesday during the summer. I objected, and we had to come back on July 7, the following day.

I listened attentively at that time, trying to understand and learn what the debate was all about. I came to the conclusion that we should make an amendment not to accept the report of Senator Beaudoin, but to return the report to the committee with the express demand of the Senate to call Mr. Nixon as a witness. I very clearly said then, and I repeat it today, that this should have been the course of action taken by the Senate at that time. You do not ask for a general inquiry until you learn a bit more about the details. If you are satisfied with the evidence of Mr. Nixon, then you do not ask for a general inquiry; if you are not satisfied with his evidence, then you ask for more information.

My proposal to return the report to the committee was rejected. I must say today again, and I know it will annoy some honourable senators, but I wish to thank the Honourable Senator Murray because he had the courtesy of seconding my motion to debate this issue. He was against the motion, but at least as the courteous man he is, he accepted to second it. He said he would second the motion so that he could speak against it. That is fair game.

During the debate, I was told that if we were to further study the matter and call witnesses, the issue should have been referred to the Standing Senate Committee on Transportation and Communications instead of to the Standing Senate Committee on Legal and Constitutional Affairs. I said, "Fine."

As you know, honourable senators, my motion did not carry much weight. It was turned down by all senators. One must be careful when one thinks that he or she is the only one who is right. I humbly accepted the fact that the Senate, as a whole, rejected my proposal to call Mr. Nixon before the committee. He is a distinguished Canadian, and he was attacked. I thought it only fair to call him as a witness. After listening to him, I think we would have seen the end of debate. That will not be the case now.

Thus, my motion was put to a vote. It was rejected.

• (1620)

I am a learner, and I had to learn fast, since I was alone at that time in the debate. I was not well-informed by the government whip whose duty it is to look after independent senators, or so I was told. Therefore, I decided to move another motion. I learned from having listened attentively to the views of the Honourable Senator Lynch-Staunton, who said, time and again, that it was the wrong committee to which I wished to refer my motion. He said that if it was any committee, it should be the Transport Committee.

Thus, I moved another motion. Again, the courteous Senator Murray seconded my motion. At that time, I said that, since it is the wrong committee, let us send it to the Transport Committee. I suggested that the committee call but one witness to start. There was no support for my motion at that time. Being wrong twice, I spent the summer in long reflection on what I had done wrong.

I regret that we are now about to start what I consider to be a very expensive enterprise. It will be a long process, and it will be divisive. It will probably be very disturbing for senators on all sides of the Senate. So be it.

I remember also at that time that if I had not pushed the debate further, we would have been deprived of a very excellent speech. I suggest strongly that my honourable colleagues read the debates of July 6 and 7 and, in particular, the intervention by the Honourable Senator Pitfield. He is a man whose is respected for his integrity. Because I pushed the debate and participated in it, he spoke to my motion. Every time he takes the floor it is clear. This is something that Senator Pitfield would not have done if I had not refused my consent to have one more day of debate.

I suggest that honourable senators read the French version of the *Debates of the Senate* of July 7 as reported at page 831. In reading that intervention, I realized that Senator Murray was in total disagreement with me. That is fair game. At that time, he said:

[*Translation*]

> As I have indicated, I believe that the public interest would be served by having a full examination of these matters and an impartial investigation. For the reasons that I set out in the committee the other day, I believe that the best forum in which to conduct that inquiry — and it would include, of course, Mr. Robert Nixon as a witness — would be a judicial inquiry set up under the Inquiries Act.

I must say I thought that is what would happen in the end, but I would prefer to hear Mr. Nixon first. If we are not satisfied, then we can go further, just like a lawyer building up his case with stronger evidence.

Honourable senators on both sides—

[*English*]

You have made your beds. I assure honourable senators that I will be very active in order that the debate will reach a good conclusion that will not be detrimental in terms of cost to the country. I am afraid that it will cost great sums of money if we are to do a good job. I do not know from where the money will come. The Leader of the Government will have to ask for it in Supplementary Estimates. If we are to do a good job, we need a lot of staff. The witnesses who appear will most likely ask that their lawyers be paid. I would not eliminate that possibility. So be it.

In the future it may happen that some senator will make a suggestion which makes sense. If that is the case, I hope that honourable senators will not deem it necessary to consider whether that senator is an independent, a Conservative, a Liberal, or a pain.

There is a debate going on in the House of Commons with respect to conflict of interest. Senator Graham will have to choose those senators who will sit on the committee concerning conflict of interest. There are 200 new members in the House of Commons who may not know exactly what it will mean. There are many senators who sat faithfully on the last committee. I was one of them. Because of the nature of the Senate, we will be unable to exercise our duty according to the experience we may have gained over the years.

I regret that honourable senators did not see fit last summer to accept my motion to have Mr. Nixon appear as the sole witness before the committee. Had that been the case, that would have been the end of it.

I say to senators on both sides of the house, remember the Stevens inquiry.

**Hon. John B. Stewart:** Honourable senators, we are launching out into what may well be troubled waters. So be it.

I want to ask Senator Lynch-Staunton to deal with certain questions before the end of this debate. They are questions which relate to the terms of his proposed resolution.

I address the attention of honourable senators to the paragraph relating to the composition of the committee. It states that the seven senators designated by the Senate Committee of Selection are to conduct the investigation. In the final paragraph we are told that the committee is to present its final report no later than one year following the striking of the committee.

Correct me if I am wrong, but my understanding was that the Senate Committee of Selection nominates and that, in effect, the Senate appoints by approving the report setting forth the nominations. The language of Senator Lynch-Staunton's motion does not seem to follow that pattern. Perhaps that is mere inadvertence. Therefore, my question to the Honourable Senator Lynch-Staunton — and I do not expect him to answer it now but to do so before he closes the debate — is this: Is it his intention that the senators will be appointed by the Senate on the nomination of the Senate Committee of Selection?

I think "nomination" is the term that is used in the *Rules of the Senate of Canada.*

My second question relates to this matter of examining witnesses under oath. It is a delicate matter because, presumably, there will be four Progressive Conservative senators and, perhaps, an independent on one side, and on the government side there will be three. Is it the intention that the committee will examine all witnesses under oath, or will the majority decide which witnesses will be examined under oath? I think Senator Lynch-Staunton will say, "Obviously, everyone will be treated in the same way."

• (1640)

Let me go on to a more difficult question: Will the authority that will be conferred upon the committee to examine witnesses under oath be a power superior to the oath taken by a Privy Councillor? Or will the former Prime Ministers, the present Prime Minister, and other Privy Councillors be able to plead higher commitment? Thus, the result will be that only ordinary mortals will really be subject to examination under oath, whereas former Prime Ministers, the present Prime Minister and other Privy Councillors will plead their Privy Council oath. I cannot say the fifth amendment, but the Privy Council oath.

I think that is a very important question which must be decided upon. Otherwise, we can spend a great deal of money and come up with a result that is satisfactory to no one, including the taxpayers.

Then, there is this question of money. I am not very good at the relationship between proposals for committees and the whole question of when the Internal Economy Committee examines a budget. I am looking for guidance from Senator Lynch-Staunton as to what will happen.

Given the dimensions of this undertaking and the services the committee will require, including lawyers and accountants — and we know what they cost — I am assuming that we are not talking about $50,000. We are probably talking about at least $1 million.

The question I raise is this — and I do not raise it as an objection: Will the Senate have, from Senator Lynch-Staunton at least, an approximate budget before we adopt the motion? Or, is it his view — and it may well be, and I do not say this critically — that the inquiry is so important that we ought to make this commitment, give this commission to the committee, tell them to get on with it and, in a sense, let the budget be dealt with after the fact; in other words, do we deal with the question of cost *ex post facto*? I do not say that this should hinder us from voting in favour of the proposed inquiry. However, I think if we are to do that, then we should at least do so knowing full well that this is what we are doing.

I put these questions to Senator Lynch-Staunton. I will vote for his motion, unless of course his responses are so astounding that I cannot bring myself to do so. However, I think we ought to have the answers to these questions before we deal with the motion.

**Hon. Jerahmiel S. Grafstein:** Honourable senators, I also have a question for the Honourable Senator Lynch-Staunton, one to which I assume he will respond when he answers the questions of Senator Stewart.

In choosing this form of inquiry, I assume that Senator Lynch-Staunton decided that he did not wish to afford to witnesses a solicitor-client privilege?

**The Hon. the Speaker:** Honourable senators, I do not want to interfere with the debate. However, questions to Senator Lynch-Staunton are not in order at this point.

On motion of Senator Oliver, debate adjourned.

## PUBLIC WORKS

### FUTURE OF HARBOURFRONT CENTRE—INQUIRY WITHDRAWN

**Hon. Consiglio Di Nino** rose pursuant to notice of Thursday, April 6, 1995:

> That he will call the attention of the Senate to the failure of the federal government to deal with the future of the Harbourfront Centre, Toronto.

He said: Honourable senators, last week the government announced a plan to keep Harbourfront in economic health, so to speak, for a further period of three years. I was pleased to hear that. I believe at this particular time an inquiry would take time from this chamber which could best be directed elsewhere. Therefore, for the present, I wish to withdraw my inquiry.

**The Hon. the Speaker:** Honourable senators, is there unanimous consent for Senator Di Nino to withdraw his inquiry?

**Hon. Senators:** Agreed.

Motion agreed to and inquiry withdrawn.

The Senate adjourned until Wednesday, May 3, 1995, at 1:30 p.m.

# THE SENATE

**Wednesday, May 3, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### CANADA REMEMBERS

**Hon. J. Michael Forrestall:** Honourable senators, as we begin the celebrations to commemorate the 50th anniversary of the end of the Second World War, I should like in a small way to pay tribute to the Canadian men and women who played such a pivotal role half a century ago.

I had the honour last fall to participate in ceremonies in Belgium and the Netherlands to mark the 50th anniversary of the Battle of the Scheldt, a critical campaign for the Allied Forces in October and November some 50 years ago. That campaign was followed by the Rhineland campaign, considered to be one of the harshest and most difficult of battles. It lasted over a month. That action alone, we should remember, took some 5,300 lives from our 2nd Corps.

Canada's role in World War II was an important one, with more than 1 million Canadians serving. The Canadian army was 170,000 strong and fought in northwest Europe, mainland Italy, Sicily and, of course, Hong Kong, ending with the liberation of Holland on May 5, 1944. The Royal Canadian Air Force not only defended Britain, it then went on to participate actively in the Allied air offensive against Nazi Germany. The RCN also played a major role in the Allied effort to keep the sea lanes open, which were so vital to the war effort in Europe.

In this regard, we must not forget those who served in the Canadian Merchant Marine. The merchant mariners risked their lives to move troops, materials and food that sustained Europe from 1939 to 1945. The Merchant Navy Book of Remembrance that was installed in the Memorial Chamber last fall is a fitting tribute to those brave individuals. Like so many others who worked so hard to achieve this goal, I am just a little sorry it was so late in coming.

Honourable senators, World War II, not only brought changes to Europe, but the countries participating in the war were also witnessing the effects of the war effort. Canada, in particular, was undergoing a massive transformation while our troops were engaged in battle. During those six years of the war, Canada turned into the modern industrial state that it is today. We were becoming a major industrial power with a significantly growing presence on the world stage.

More important, we must not forget the thousands of Canadians who did not get the opportunity to return home to experience this new Canada, those who made the ultimate sacrifice in the name of freedom. By the time World War II had ended in 1945, we had lost 42,000 Canadian men and women to the cause. Therefore, even though this anniversary is a cause for celebration and joy, it is also important that we pause and reflect on just what we lost — so many very precious lives.

• (1340)

I hope all Canadians, young and old, will take the time — and not just during this week — to honour veterans and to reflect on the loss of those who died on the battlefields, in the air and on the sea. We must never lose sight of the fact that it is to veterans, those who are still with us and those who lost their lives during the war, that we owe nothing short of the freedom that we enjoy today.

[*Translation*]

### CITIZENSHIP AND IMMIGRATION

#### LITERACY COURSES OFFERED IN FRENCH LANGUAGE

**Hon. Jean-Robert Gauthier:** Honourable senators, I have good news to share with you today! I will read an excerpt from an editorial in *Le Droit*, the French-language newspaper of the National Capital Region.

> Last Monday —
>
> —Monday of this week—
>
> — some 30 immigrants were enrolled in Vanier's new French literacy program, La Magie des lettres. This is unprecedented in Ontario.

This is the first time in Ontario that immigrants in a province like ours can take French courses. I have been trying for three years to persuade the Department of Citizenship and Immigration, which is responsible for the integration of immigrants into Canadian society, to offer French and English language courses in places where there is sufficient demand.

In all of the provinces of this country, the majority wins out. English is taught in all of the anglophone provinces, as if English were the country's official language and, obviously, French is taught in Quebec.

Being a French-speaking Canadian, I thought that we could offer a choice to our immigrants, especially Somalians or Haitians, whose languages are rooted in French. I will not tarry any longer on the topic, because the patois has its own legitimacy.

What I found upsetting was what we were saying to these Haitians, Somalians or other peoples. Why should these people, who have nothing in common with English, have to integrate into society in English and take linguistic training courses in English?

The answer to this question was: There is no demand in the nation's capital!

I knew there was a demand because immigrants were coming to me and saying: "Mr. Gauthier, my child goes to a French school. I an neither read nor write. I am an immigrant and have to learn English. I cannot keep up with my child because we have difficulty communicating."

I said to myself that we need to set up at least a pilot project here in the nation's capital which would give immigrants the choice between English or French.

Since last Monday, immigrants can approach La Magie des lettres, a literacy organization, for French courses in Ottawa, the country's capital. I think that is good news indeed!

Honourable senators, I would like to congratulate all who have worked over the past three years to convince departmental authorities to make courses available everywhere in Canada where there is enough demand.

[*English*]

## THE HONOURABLE JOHN M. MACDONALD

### TRIBUTES ON EIGHTY-NINTH BIRTHDAY

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, it has just been brought to my attention that one of our distinguished and most senior colleagues, Senator John M. Macdonald, is celebrating his 89th birthday today. The headline in the *Ottawa Citizen* reads, "Last senator-for-life staying put, thanks."

Senator Macdonald has been our friend and colleague for many years. He was appointed here to the Senate in 1960. When I first came here in 1972, I asked Senator Macdonald for some advice, and he has never stopped giving it to me. The first question I asked him was, "John, what committees should I aspire to?" He said, "Well, of course if you are from the Maritimes, you must be on the Transport Committee." I took his advice and asked to be put on that committee. My request was granted, and I have been a member of that committee ever since. In fact, I had been having difficulty in trying to get off that committee until I got my present job. I am no longer an official member of that committee, but I am an *ex officio* member of that and every other committee in the Senate.

It was once said of someone that "His word is his bond. Whether it is given in public or in private, it can be relied upon absolutely." That description can also be applied to John M. Macdonald, at any time in his life. We rejoice in his longevity and in his remarkable good health. Unfortunately, by my count, I will not be around long enough to celebrate John M. Macdonald's 100th birthday in this chamber 11 years hence.

We have all benefitted from his wise counsel and are much richer by his friendship, his example, his marvellous contribution, and his eternal devotion to this place.

**Hon. John M. Macdonald:** Honourable senators, I wish to thank you for your recognition of my birthday and for your good wishes.

It is true that I have been asked on occasion, "How long will you stay here?" As a result of that question, it has been generally understood that if I make my 100th birthday, I will resign. However, I have changed my mind. I have decided that I will stay on.

**Hon. Senators:** Hear, hear!

**Senator Macdonald:** I have been a member of the Senate since 1960 and I have enjoyed the friendship of everyone who has been here. I look forward to every day here. I still like it, and that is why I am staying.

Over the years, a particular friendship has grown between one senator on the other side and me. That senator celebrates his birthday May 2. I refer to Senator Peter Bosa. We have been exchanging birthday greetings over the years. I must tell him that he cannot hope to equal my record, but he is doing fairly well.

Again, honourable senators, I thank you for your good wishes. I assure you that I like the Senate, and I hope a good number of you will be here to help me celebrate my 100th birthday.

I read about Winston Churchill that on the occasion of his 90th birthday, one of the big London papers sent someone to interview him. After the interview, the reporter said good-bye. He then said, "Mr. Churchill, I hope I will be here next year again to speak to you." Churchill replied, "I do not see why not. You look to be healthy enough to me!"

**Hon. Noël A. Kinsella:** Honourable senators, our dear colleague is quick on his feet. He was way ahead of me as I tried to rise to join with our colleague Senator Graham in extending our very best wishes from this side of the chamber. We had occasion to do so at our Progressive Conservative Senate caucus meeting this morning. I simply wanted to underscore the point that you still have to be quick on your feet to beat Senator Macdonald.

[*Later*]

**Hon. Marcel Prud'Homme:** Honourable senators, I wish to add a few words to the good wishes extended to Senator Macdonald.

Senator Macdonald has given me great advice. I have known him since 1960. Senator Graham just mentioned that the first thing he did when he arrived in the Senate was to ask Senator Macdonald's advice as to on which committee he should sit. Now I know my mistake. That is what I should have done when I came to this place. I should have gone to see Senator Macdonald to ask, "How can I get on a committee?" Since I now know what my mistake was, I shall correct it over the next few days.

I wish to say how happy I am to join with other honourable senators in wishing him well. I hope to still be here when he celebrates his 100th birthday.

We all know Senator Macdonald to be a fine gentleman. I always say to students at the University of Ottawa and the University of Carleton, "Why not stop by on Parliament Hill and ask Senator Macdonald about what took place in this country over the last many years?"

He has an unbelievable memory. I have often asked him about what took place in the 1940s or even in the 1960s. His mind is sharp. He knows and remembers events about which we cannot read in our history books.

Senator Macdonald, I wish you a very happy day and many good years to come.

## ENVIRONMENT

### LOW-LEVEL MILITARY FLIGHTS OVER LABRADOR— IMPACT ON HUMAN HEALTH AND WILDLIFE

**Hon. Mira Spivak:** Honourable senators, if the Senate were to continue to exercise one of the functions traditionally ascribed to it — that is, the function of protection of human rights, especially minority rights — surely the cause that would merit such consideration is the situation of the Innu of Labrador.

• (1350)

On Monday, the Government of Canada decided that low-level military flights over the Innu territory will be expanded, perhaps to 18,000 flights annually and a 130,000 square kilometre area, despite the findings of a federal environmental assessment panel that acknowledged uncertainty about the impact of flights on wildlife and human health.

All over the world, the rights of aboriginal peoples are violated by disruption, dislocation and, worse, through logging, mining, dams, et cetera, in their traditional homelands.

The protesting Innu really do not want much, merely to be left alone in peace and quiet. They do not want the excruciating noise created by jets roaring up and down the river valleys at lower than 300 metres, disturbing children, caribou, eagles, et cetera, and disrupting the migration and feeding patterns of wildlife.

The Government of Quebec has called for a moratorium on flights until 1997. Survival International, a non-governmental organization, has made a submission on behalf of the Innu of Labrador to the United Nations Human Rights Commission. The Minister of Indian Affairs has admitted that the Innu, whose lives and livelihood will be disrupted by these flights, have legitimate concerns and territorial rights.

The report does not deny that environmental concerns and, therefore, by implication, the rights of the Innu, were overridden by the economic concerns of the communities servicing military operations. Indeed, the report recommends approval of a new target bombing range.

A column in *The Globe and Mail* recently joins the issue squarely: The moral values of the political and military people willing to allow economic activity, based on some military objectives, and the values of those suffering from this activity, including wild animals, were not fairly balanced or considered.

The government has demonstrated its view of the minority rights of the Innu. One can only hope that the Labrador Institute, which is to be set up to monitor and research the impact of the military training operations, will do its job so that justice can be done to the cause of the Innu.

**The Hon. the Speaker:** Honourable senators, the time for senators' statements has elapsed. However, I saw that Senator Ghitter had risen to his feet before the time expired. Is it agreed that Senator Ghitter be allowed to speak?

**Hon. Senators:** Agreed.

## FIREARMS LEGISLATION

### REMARKS MADE BY HON. ALLAN ROCK

**Hon. Ron Ghitter:** Honourable senators, as I mentioned yesterday I wish to read into the record statements made by the Honourable Allan Rock on February 16, 1995 with respect to the gun registration aspects of Bill C-68 —

**Hon. L. Norbert Thériault:** Honourable senators, I rise on a point of order. I have no objection to what the Honourable Senator Ghitter said yesterday, nor will I object to what he is about to say.

However, my understanding of parliamentary procedure, which I have gained over the years, has taught me that once a bill is before the legislature, discussion regarding it should occur only when the bill is the subject matter of discussion.

**Senator Ghitter:** Honourable senators, in response to the comments of the honourable senator, I recall when I first took my place in this house the Liberals, on a daily basis, talked continually about the GST, as well as declarations by ministers. It was like a continuous statement, day after day.

The purpose of my statement today is this: The firearms bill is important legislation which will be coming before us for our deliberation and consideration. It requires the understanding of members of this place in order to assist in understanding this divisive legislation. In a preliminary way, and for the understanding of all honourable senators, I wish to bring to their attention what is being said about this matter and the reasons for it.

I await your conclusion, Your Honour.

SPEAKER'S RULING

**The Hon. the Speaker:** Honourable senators, rule 22(4) of the *Rules of the Senate of Canada* states:

> (4) When "Senators' Statements" has been called, Senators may, without notice, raise matters they consider need to be brought to the urgent attention of the Senate. In particular, Senators' statements should relate to matters which are of public consequence and for which the rules and practices of the Senate provide no immediate means of bringing the matters to the attention of the Senate. In making such statements, a Senator shall not anticipate consideration of any Order of the Day and shall be bound by the usual rules governing the propriety of debate. Matters raised during this period shall not be subject to debate.

At this stage, the proposed bill is not an Order of the Day. Therefore, it is in order for the honourable senator to proceed.

I might add that the precedents in the Senate have been such that we have commented not on matters which are on the Orders of the Day but on other matters. I rule that Senator Ghitter may proceed.

**Hon. Norbert L. Thériault:** Your Honour, am I to understand from your ruling that once a subject matter is placed on the Order Paper, senators are prevented from discussing it?

**The Hon. the Speaker:** Honourable senators, I am sorry to interrupt Senator Thériault. The rules do not provide for points of order to be raised under the rubric "Senators' Statements." The honourable senator may make a statement, but he is not allowed to raise a point of order.

Senator Ghitter may proceed.

**Hon. Ron Ghitter:** I anticipate that Your Honour will have the opportunity to make a further ruling at a later date.

On February 16, in relation to the question of gun registration, the Honourable Allan Rock said:

> May I deal directly with the issue of registration and how it is going to enable us to achieve the objectives of a safe and peaceful society, a more effective response to the criminal misuse of firearms and enhanced public safety.
>
> I will begin with the proposition that we live in a society in which all manner of property is licensed, registered or regulated in some way. All manner of activities are regulated either by legislation or administrative action to achieve a level of orderliness which is desirable in a civilized society. In that context, where cars, pets, and property of all description are registered or recorded for purposes of tracing ownership or reflecting transfers, surely the prospect of registering firearms is rationally justified by a society that wants to achieve a level of order....
>
> Those who engage in street crime tap into a market that is fed from one of two sources: guns that are smuggled into Canada and therefore are here illegally, or guns that are stolen from lawful owners and then traded in the underground....
>
> Surely we must choke off the sources of supply for that underground market.

• (1400)

> Surely we must reduce the number of firearms smuggled into the country. Surely we must cut down on the number of firearms stolen and traded in the underground. How do we achieve that? Through registration.
>
> The registration of all firearms will enable us to do a better job at the borders. We will never stop the smuggling of firearms entirely. There are 130 million border crossings per year....
>
> Last year approximately 375,000 firearms came into Canada. Almost all guns sold here are imported. We do not know where they are or how they got here....
>
> Registration will enable us to record what arrives and track it to the point of sale into the hands of a lawful owner. Registration will enable us to stop the kind of leakage that now occurs, to reduce the incidence of people illegally selling that which is legally imported.
>
> ...registration which obligates each of us to record the fact of our ownership of firearms will imbue the owners with a heightened sense of responsibility...
>
> ...Registration will reduce crime and better equip the police to deal with crime in Canadian society by providing them with information they often need to do their job....
>
> ...Registration will assist us to deal with the scourge of domestic violence....
>
> When firearms are registered, if it is necessary for a person to register and show proof of registration to buy ammunition, as it will be, the police will know what firearms are there. The police will be able to enforce those orders and lives will be saved....
>
> We have provided our estimate of the cost of implementing universal registration over the next five years. We say that it will cost $85 million....
>
> It is crucially important, in my judgment, that as we debate this question of registration, in respect of which there are strongly held views on both sides, that we do so on the real facts. Let us confine ourselves to the reality of the situation. Let us not hear that the registration system will cost $100 per firearm. Let us not hear that it is a prelude to the confiscation by the government of hunting rifles and shotguns. Let us not contend that it will cost $1.5 billion to put in place.

# ROUTINE PROCEEDINGS

## PEACE IN EUROPE

NOTICE OF INQUIRY

**Hon. Stanley Haidasz:** Honourable senators, on this day, the 204th anniversary of the first Polish Democratic Constitution, I am happy to give notice that, on May 16 next, I will initiate an inquiry on the necessity for decisive leadership to preserve peace in Europe, 50 years after the end of World War II.

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[*Translation*]

# QUESTION PERIOD

## HUMAN RESOURCES

DISCUSSIONS WITH PROVINCES ON MANPOWER TRAINING—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, I have a question for the Leader of the Government in the Senate. Notwithstanding the election in Quebec of a provincial government that openly plans to break up our country in return for a mirage that can only confuse Quebecers, who have shown on many occasions that they are willing to assert their pride in being both Quebecers and Canadians, is the Quebec government conducting negotiations on manpower training with your government?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as has been said in this house before, discussions with the provinces on these issues continue from time to time. I would need to ask my colleague whether there are any such discussions currently being held with the province of Quebec, or for that matter any other province, on that particular issue.

[*Translation*]

## INTERNATIONAL TRADE

AGREEMENT ON PARTICIPATION OF PROVINCES—GOVERNMENT POSITION

**Hon. Roch Bolduc:** Honourable senators, similarly, has the Alberta government signed an agreement with the Canadian government to promote exports and generally expand international trade? Has such an agreement been proposed to or concluded with the Quebec government?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, Senator Bolduc is absolutely correct. The Alberta government and the Government of Canada, respectively represented by the Premier of Alberta and the Federal Trade Minister, Roy MacLaren, did sign an agreement just a couple of weeks ago in Calgary on cooperation in developing business export potential abroad.

This agreement was only the second such agreement that had been signed with a Canadian province, the first having been signed a while back with Ontario. Both Ontario and Alberta initiated these proposals, and both agreements were accepted readily by the Government of Canada.

I do not know what the future of such an agreement would be with the province of Quebec. At the moment, we have only those two examples.

[*Translation*]

**Senator Bolduc:** Does the Minister for International Trade or the Minister of Intergovernmental Affairs intend to propose such an agreement to the Quebec government?

[*English*]

## EXPO 2005

ANNOUNCEMENT OF HOST CITY—GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, can the Leader of the Government in the Senate advise when Calgary will be announced as the location for Expo 2005, considering that the evaluator's report is now in and it clearly recommends Calgary over Ottawa?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend will know where I stand on this issue, but my answer to his question is a simple "no".

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# ORDERS OF THE DAY

## CANADA-UNITED STATES TAX CONVENTION ACT, 1984

BILL TO AMEND—THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved third reading of Bill S-9, to amend the Canada-United States Tax Convention Act, 1984.

Motion agreed to and bill read third time and passed.

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—
MOTION TO STRIKE SPECIAL COMMITTEE TO INQUIRE INTO PRIVATIZATION CONTRACTS—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Lynch-Staunton, seconded by the Honourable Senator Berntson:

That a special committee of the Senate be appointed to examine and report upon all matters concerning the policies and negotiations leading up to, and including, the agreements respecting the redevelopment and operation of Terminals 1 and 2 of Lester B. Pearson International Airport and the circumstances relating to the cancellation thereof;

That seven senators, designated by the Committee of Selection no later than two weeks after adoption of this motion, act as members of the special committee, and that three members constitute a quorum;

That the committee have power to send for persons, papers and records, to examine witnesses under oath, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have the power to sit during adjournments of the Senate;

That the committee have power to retain the services of professional, clerical, stenographic and such other staff as deemed advisable by the committee;

That the committee have power to authorize television and radio broadcasting, as it deems appropriate, of any or all of its proceedings; and

That the committee present its final report to the Senate no later than one year following the striking of the committee. — (*Honourable Senator Oliver*).

**Hon. Donald H. Oliver:** Honourable senators, I stand today to speak in support of the motion of the Honourable Senator John Lynch-Staunton. I associate myself with the intervention made yesterday by Senator Kinsella. It gives me great pleasure to rise to speak in support of the motion to establish a special Senate committee to inquire into the Pearson airport contracts.

I was particularly pleased to hear yesterday during the intervention by the Leader of the Government that she is not opposed to such an inquiry. It is, in fact, in the public interest for such an inquiry to be held. We on this side of the Senate do not take issue with the government's right to cancel the Pearson airport contracts. Nothing in law prevents the government from doing this. What we do object to, and have objected to all along, is the way that the government has sought to deal with the consequences of its unilateral cancellation of the contracts.

• (1410)

This government has consistently sought to deny the principles involved in these contracts the right to have their damages adjudicated by an independent tribunal, the courts. This is against the rule of law, the Bill of Rights and in breach of Canada's NAFTA obligations. The arguments we have advanced have been endorsed and supported by noted constitutional authorities across this country and, most notably, by the Canadian Bar Association.

In response to the support for the position taken on this side of the Senate, the government introduced amendments to Bill C-22, but what did these amendments do? They allowed access to the courts and then limited the matters for which damages could be claimed to such an extent that the Canadian Bar Association was not moved off its original position.

Two matters stood out for me in my review of these amendments. First, I was concerned with the deadlines established. In order to qualify for compensation, all claims had to be submitted prior to June 30, 1994. The Legal and Constitutional Affairs Committee could not be assured that all claims had in fact been submitted. As well, concern was raised by both committee members and witnesses about the exclusion for claims for defamation. This strikes home at one of the real issues in this matter.

During, as well as after, the election and right up to the present time, members of the government have spent a great deal of energy maligning those in the private sector who were part of the T1 and T2 consortiums. Then, to specifically exclude any claims for defamation, this seemed to mitigate against any possible compromise. It is, in fact, this refusal by the Liberal government to become involved in a meaningful compromise which led senators on this side to conclude that a Senate inquiry was the only solution.

This side had hoped that the government, if it believed in its own rhetoric, would establish a judicial inquiry. However, our calls for such an inquiry have fallen on deaf ears. Therefore, we are left with this motion we are debating today to establish a special committee of the Senate to obtain all the facts, to uncover the truth and the policies behind the letting of the contracts for the Pearson airport development and future management. This Senate inquiry will certainly be less costly than a full-fledged judicial inquiry.

Over the years, the Senate has received many compliments for the work of its investigative committees. Examples of this type of work by the Senate can be seen in reports on poverty, unemployment, inflation, aging, land use, science policy, relations with the United States and aboriginal issues. We are all anxiously awaiting the release of the report by Senator Neiman's Special Committee on Euthanasia and Assisted Suicide.

Professor Colin Campbell has commented favourably on this work stating:

> A type of social reformism has emerged in the work of the Senate. A number of members have become involved in special studies of fundamental social and systemic problems like poverty, inflation and non-responsive mass media....These studies are beginning to have an impact on the prepatory stages of the legislative process wherein problems are discussed before policy proposals are formulated.

I submit that some of the most important work that we do here occurs in special committees. In fact, Senator Stanbury in a speech to the Canadian Study of Parliament Group in 1979 stated:

> It is perhaps through the committee system, in the carrying out of investigations, that the Senate exercises that function which was planned for it by the Fathers of Confederation, for the protection of minorities and regional interests.

In his classic text on the Senate, F.A. Kunz argues that the third main function performed by Senate committees is the conducting of inquiries into some problem area of concern. In his book *The Modern Senate of Canada*, he divides inquiries into three main groups. There are economic inquiries relating to broad questions on the economy or dealing with some particular facet of the economic life of the country. The second group concerns matters of sudden incident and of an ad hoc nature demanding prompt inquiry. The third relates to aspects of government machinery, usually the operation and administration of certain statutes. Committees performing any of these three roles are valuable according to Kunz because they collect evidence, give advice in the form of recommendations and expose matters, which tend to educate the general public.

This positive view of the role of Senate investigative committees is reiterated by Professor Ned Franks of Queen's University in his book, *The Parliament of Canada*. Comparing Senate and House of Commons committees, he states:

> Senators are more knowledgeable and more familiar with their subjects and the potential impact of legislation. The Senate committees are more deliberative and willing to take time. In addition, questioning by the Senate is by issue....This allows them to focus the discussion, and give priority to a lead questioner.

The usefulness of a Senate investigative committee seems therefore to be beyond question. I believe it is important to put this inquiry in the context of Senate renewal. As I am sure all of you have heard more than once from me, I am an intense advocate of renewal. I believe it is important that the Senate become seized of this matter. It is important for the Senate and it is important for all Canadians. It is important for the Senate because it will be an opportunity for senators to show that the Senate really is a viable alternative to expensive, and generally lengthy, royal commissions.

It will be an opportunity to show Canadians that senators can deal in a civilized manner with a topic which is very much in the public eye. Senators can demonstrate that they can carry out an investigation not only into the entering into of contracts but also into the policy questions.

It will be important for the committee to discuss whether the privatization and renewal of facilities of the Pearson airport make sense from a transportation policy point of view.

In the end, such an inquiry should demonstrate all the good points that are usually associated with Senate inquiries; namely thoroughness, competence, frugality, resulting in recommendations which are easily understood, can be implemented, and deal specifically with all the hard issues.

However, there are those who will argue that this type of investigation lies beyond the scope of anything done in Senate committees to date. First, I believe there is ample precedent for this type of inquiry, without even arguing that it is beneficial to have an institution which can be innovative. I subscribe to the theory expressed by Professor Kunz that, "It is in order for the Senate to refer any matter in its discretion to any committee."

However, I know there will be those who will argue that special investigative committees usually deal with topics where there is little political controversy. Both political parties represented on the committee have no entrenched position they are trying to defend.

It has been argued that in a charged political atmosphere, it will be difficult to conduct hearings and obtain the truth. There will be arguments that the *Rules of the Senate* are not broad enough to allow us to conduct the thorough type of investigation that is merited and warranted in the circumstances.

Even though I have been here only four short years, that has not prevented me from looking at the work done in previous eras to determine what we, as senators, are allowed to do. I would like to draw the attention of senators to three situations which have occurred in the life of this institution, which may be helpful in adding support to this proposed inquiry.

On February 11, 1932, a special committee of nine senators was appointed to consider a report of the special committee of the House of Commons which investigated the development of the Beauharnois Power Project. Under the chairmanship of Senator Tanner, it was to investigate allegations in the House of Commons report on this subject as they related to the conduct of three senators. I will not go into that particular report any further because it was already addressed and referred to yesterday by Senator Kinsella.

In relation to Senator Andrew Haydon, the committee found that a fee charged by Senator Haydon's law firm was contingent on the passing of the Order in Council approving the power project. It concluded on page 28 that "Senator Haydon's conduct was conflicting and inconsistent with his position and standing as a senator of Canada.

The committee, in relation to a third senator, Senator Donat Raymond, concluded that it was impossible, because of the senator's denial, to do otherwise than accept his explanation that there was no influence directed by him which affected government policy.

That Senate report concluded at page 30 with the following statement:

> This committee feels it to be their duty to express the opinion that senators of Canada should not place themselves in the position of receiving contributions from or being interested in an enterprise dependent on specific favour, franchise or concession to be made by a government whose conduct is, under the Constitution of Canada, subject to review by both branches of Parliament.

• (1420)

It was obviously an inquiry into various serious and sensitive matters. It met from February 16, 1932 until April 6, 1932. It had counsel to help it with its investigation. As well, it reviewed 129 exhibits filed with the House of Commons committee, and it received 24 of its own.

Honourable senators, what I am about to say is the key of the remarks I make today: This committee presents us with a good example of an investigative committee working in a highly charged political atmosphere inquiring into dealings surrounding a public work.

My second example concentrates on the innovative use of the Senate's power. It relates to the dismissal of the Governor of the Bank of Canada, James E. Coyne, in 1961. As some may remember, when the governor refused to resign over a policy dispute between himself and the Diefenbaker government, the Senate allowed Mr. Coyne to testify before a Senate committee. The governor was given ample time to present his views and thereafter resign. The Senate, as pointed out by Professor Franks, was seen at that time as the protector of the rights of a senior public servant. For our purposes, it shows that the Senate can be used to provide innovative solutions to public policy issues. It is respectfully submitted that the Pearson airport matter requires an innovative solution to a public policy issue.

I would like to refer briefly to the actions of the Senate during the Meech Lake debate. There was no question that the Committee of the Whole which held hearings on the accord and its subcommittee on "Meech Lake and its effect on the North" were involved in a politically charged subject. The Liberal side wished to delay the constitutional amendments for the full time allowed by the Constitution, while the Progressive Conservative side wanted to see it passed quickly.

The subcommittee on the North acted as a special investigative committee, although there were opposing political views on the effect of the accord in Northern Canada. This demonstrates that, even recently, special committees or committees acting like special committees can divide along partisan lines but still carry out effective hearings.

Honourable senators, I believe the Senate is ideally situated to carry out this inquiry. The Senate has considerable powers under its rules to send for papers and needed information. It can, through the Senate, compel the attendance of witnesses. It can have these witnesses sworn, as was discussed yesterday. There is no restriction on rule 93 as to the subject-matter which can be investigated by a special committee. I would hope that when this committee is established, it will conduct its business in an orderly and workmanlike manner, searching out the truth. I hope it will be one of the committees that Professor Robert Jackson of Carleton University referred to when he commented:

> The Senate committees which do important and acclaimed work are those which are composed of specialists who engage in cross-bench influence and non-partisan behaviour.

**Hon. Jerahmiel S. Grafstein:** Will the honourable senator allow a question?

**Senator Oliver:** Yes.

**Senator Grafstein:** First, I commend Senator Oliver for his interesting and thought-provoking research. It has obviously brought to mind a different vista of exploration for those of us on this side.

I am curious about his comment that the proposed inquiry would be less costly than a judicial inquiry. Since the Conservative majority in the Senate has requested and moved a motion to initiate this inquiry, which we on this side do not oppose, nor do we intend to oppose, and since the Conservative majority will have a majority on the committee of inquiry itself and, therefore, ostensible control of the committee's agenda, obviously the question of cost must have crossed Senator Oliver's mind, or that of the Leader of the Opposition in the Senate.

Could we have some indication, perhaps, if not today, in the leader's speech tomorrow, of the extent of those estimated costs? I think the public has a right to know what the costs will be, since the origination of this issue vis-à-vis these contracts by the government has, in part, to do with the question of costs to be borne by the taxpayer. Costs lie at the heart, or bear a very important part of the *lis* of this issue.

I raise this point in the context of the Leader of the Opposition's known concern about frugality, having in mind his recent comments with respect to Senator MacEachen's modest request for $7,500 to pay for Volume I of the report of the Special Joint Committee Reviewing Canada's Foreign Policy. We on this side would like to have some indication of the extent of the proposed costs of this inquiry. Costs to Ontario for a recent inquiry, albeit a judicial inquiry, ran into the millions of dollars.

**Senator Oliver:** I thank the honourable senator for his question. I believe my leader will be addressing some of the honourable senator's concerns about finances in his closing remarks tomorrow.

The support for the remark I made is that I was involved with the Royal Commission on Electoral Reform and Party Financing, commonly called the Lortie commission, until I came to this place. As I understand it, the cost of that royal commission into electioneering in this country was some $26 million. It is my belief that this inquiry into the Pearson airport will cost nothing like that, and that is specifically what I was referring to when I made those remarks.

I have looked back in Hansard for remarks made by honourable senators from the opposite side. I came upon some comments by Senator Hicks on the costs of Senate inquiries. I will get copies of those remarks and make them available to the honourable senator so he may see what Senator Hicks had to say about the Senate providing funds to a committee to do its work.

**Senator Grafstein:** Honourable senators, perhaps, at the same time, senators on the other side could give us some indication of other issues that would have to be sacrificed in order to bring this inquiry within the global undertaking that we made to the government with respect to the costs of this place.

**Senator Oliver:** I thank the honourable senator for his question.

**Hon. John G. Bryden:** Honourable senators, it is with some degree of hesitation that I stand to ask a question. Senator Oliver indicated that in his four short years in this place he has learned a lot. My term has been about four short months.

The honourable senator indicated the commendable work for which Senate committees have been noted. I am a little concerned that this Senate committee may not be a committee like all the others. In considering whether the Senate could fulfil its function adequately through this committee, I was wondering about the issue of compelling the attendance of witnesses on what is obviously a controversial situation.

• (1430)

I did a little research to determine if there have been situations where the Senate has been able to compel the attendance of reluctant witnesses. I refer to an extract from a paper entitled "Privilege in the Senate of Canada" presented by W. F. Dawson at an annual meeting of the Canadian Political Science Association in Sherbrooke. I can give the honourable senator a copy afterwards. Mr. Dawson said that there has been very little trouble with Senate witnesses over the years. Indeed, there are only four occasions in which people refused to give evidence. He points out two unfortunate situations, the first of which was perhaps the most unfortunate for the Senate. A special committee reported to the Senate that a witness refused to be sworn, as he contended that he was the co-respondent in a divorce case being heard. The committee decided otherwise, however, and when he persisted in his refusal, the Senate ordered that the Black Rod take him into custody. A week later, the Black Rod reported that the individual had left the country, or at least had secreted himself in some parts unknown. He was never apprehended and never punished.

One other attempt to obtain a witness was equally fruitless — and this may be more in keeping with what we are about to launch ourselves into. While investigating a private railway bill in 1891, the committee reported to the Senate that four witnesses had failed to appear. One had simply left the country before he could be formally summoned, although he knew he was wanted. Two others — a provincial minister and a provincial civil servant — were prevented from appearing by the provincial government. The fourth merely did not want to attend.

On this occasion, no action was taken since the Senate doubted that it had the power to enforce attendance on the provincial officers, and the third individual was physically beyond the reach of the Senate.

I raise those examples, which seem to be the only examples in our history, merely to enquire whether, in launching into these hearings, the mover of the motion can give us some assurance that we will be able to compel the attendance of witnesses, and all of them on the same basis?

Honourable senators, my point is this: If we are to require witnesses to attend before a committee of this place, then a legal secretary or an assistant director in a government department, or a present or former minister or a prime minister should all be required to give evidence on the same basis. Would that be the case? If so, how would we accomplish it?

It is my understanding that common law and parliamentary procedure does not require a privy councillor or others to give evidence. Old, complicated procedures may need to be invoked — I read somewhere about a bill of indemnity — in order to allow, let alone compel, privy councillors, ministers and prime ministers to give evidence before a body such as this.

Honourable senators, if we on this side of the chamber are to be as helpful in this inquiry as we would wish, perhaps those who have proposed the motion can give us some comfort that all witnesses will be treated on the same basis. It is my understanding that without an indemnity, these people may leave themselves open to charges under the Criminal Code.

What will be the relationship of the members of this house to the committee if they are asked to give evidence before the committee? Once again I am showing my ignorance, but it is my understanding that only two classes of individuals may claim privilege from giving evidence before this committee: one group would be members of the House of Commons, and the other would be members of the Senate. What will be the position of an individual senator called to give evidence before this committee? Will he or she be entitled to claim privilege? Or if we have this privilege, should we waive the right to exercise it before setting up the committee?

As the hearings continue, if a senator, sitting as a member of that committee, finds himself or herself being called to give evidence before that committee, what is that senator's continuing function in relation to the committee?

Honourable senators, this hearing may be completed in a week, but I doubt it. It may go on for a year. We may end up with recommendations to name senators to the committee and, six months from now, we may find that one of those senators, for whatever reason, is required to give evidence before that committee. Does that senator cease to be a member? Perhaps this does not matter.

As a novice, I would be entering into this process not knowing where it would ultimately lead, except that it would be open, far-ranging, fair and reasonable.

Under the rules, a Senate Committee of Selection nominates the members of select committees. Select committees include special committees. Therefore, a Senate Committee of Selection would nominate the members of this special committee and bring them before this place for approval.

In looking at the literature, however, there is precedent for this procedure to be done in another way. The procedure can be rolled together, and when the motion is ultimately put, it is put to the members of the Senate, and the Senate either accepts all of the nominations or none at all. Is it intended that the procedure be done in that way? If it comes to a vote, which will not necessarily occur, can the Senate approve six of the nominations, but not the seventh, and say to the Senate Committee of Selection "Go back and try again for another one"?

This house deserves the opportunity to air these issues before we launch into what may be the unknown.

**Senator Oliver:** I should like to thank the honourable senator for his many questions, and my comments are as follows:

First, some of the questions you asked are beyond my jurisdiction and power, and will be dealt with by my leader tomorrow when he speaks. Second, some of the issues you raise are issues that, in my view, should be dealt with by the committee, once it is struck.

Third, in relation to what happens if a senator on the committee is called later to give evidence, all I know is the law. The common law is that if a lawyer is engaged to represent someone in relation to a matter and that lawyer or his partner or an associate has an involvement, and they know or ought to have known that they may be called to give evidence, they have a legal obligation to immediately advise the court and withdraw. I would think that that same rule should apply here. Anyone with an interest in the Pearson airport deal, directly or indirectly, should not serve on the committee, and they should advise this honourable chamber accordingly.

In relation to the case of the provincial authorities who did not appear before the committee and could not be compelled to appear, from what you read — and you have indicated you will give me a copy so that I can read it, too — I was not sure whether those incidents were ever appealed, or whether it was ever tested by a court. If you refer to only those two cases and they were not tested by a court and you are seeking "comfort", I do not think you can ask for a great deal of comfort for this side, which remains judicially untested.

**Hon. P. Derek Lewis:** I have a question following on what Senator Bryden has asked. I do so knowing that Senator Oliver is a reputable lawyer himself.

What will the intention be? There seems to be little doubt as to the right of a Senate committee to compel witnesses to give evidence under oath or otherwise. I am curious as to what the situation will be in the case of a lawyer who might have been involved in the Pearson deal and who may be called before the committee and asked questions which, if answered, would have the effect of breaching the solicitor-client privilege. Would a lawyer in that situation be compelled to breach that confidence and, in turn, be liable to penalty if he refuses?

• (1440)

**Senator Oliver:** Honourable senators, I do not know the answer to that question. However, I think that solicitor-client privilege would pertain.

**Hon. John B. Stewart:** Honourable senators, this is new ground for me, which is why I am interested in learning what I can from those who know about these things.

Yesterday, I asked a question of Senator Lynch-Staunton in which I mentioned the problem associated with the oath taken by privy councillors. I gather that the honourable senator will deal with that question conclusively in his closing remarks.

Then, of course, there is the problem of the Official Secrets Act. How many civil servants will say, "You are talking now about information I gave to the Minister of Transport of the day."

If those two classes of oaths arise, as well as solicitor-client privilege and the whole question of incrimination, then we may well need a statute of indemnification to set those problems aside. It will be a very curious situation indeed if we have some witnesses, particularly from the private sector, who are obliged to testify, and the privy councillors can fold their arms and sit back. The members of the former government and the members of the present government, presumably, will proceed in the same way. If that occurs, then we will look very foolish.

These are important procedural questions to which we ought to have conclusive answers before we set out to sea. Can Senator Oliver help me?

**Senator Oliver:** I cannot help you a lot, Senator Stewart, with deep regret. I do not think that it behooves this side to provide conclusive answers to some of these questions because some of them will require a legal opinion from counsel who may be retained to answer these very questions.

This is something which the committee, once it is struck, will decide. Indeed, the committee will need to decide on how it will proceed and under what rules; it will need to decide what weight it will give to some of these issues. The members of that committee will find out what weight to give to such things after they have received the proper legal advice.

This is not the forum in which to give legal advice. It is up to the committee to amass its own legal advice and advisors, once the order is granted.

**Senator Stewart:** Honourable senators, am I to conclude that Senator Oliver is saying that if the committee finds, for example, that the privy councillors' oath, or the Official Secrets Act, prevents witnesses from responding, then the committee would then report back to the Senate that it could not do its work? Is that a reasonable deduction from what has just been said?

**Senator Oliver:** I do not think it is a reasonable deduction. It is certainly not the only recourse. There would be others. For the committee to report back that it cannot do its work would probably be the last recourse. It would behoove the committee to find other ways to do its work.

**Senator Stewart:** I hope you will be helpful, because I am looking for answers. Can you give us some suggestions as to those other ways? You are learned in the law. I am sure you have anticipated these problems. Could you be candid with the house?

**Senator Oliver:** There is nothing that I have said today that has not been candid.

**Senator Stewart:** Then carry on, and be candid.

**Senator Grafstein:** Honourable senators, perhaps the honourable senator might indulge me with respect to another question because I find the discussion between my colleagues on this side and Senator Oliver fascinating.

As a lawyer and counsel, there is another issue which I think was raised by Senator Oliver in his comments by way of historical analogy, and that was a reference to the Beauharnois affair. He touched on the fact that a member of this chamber was involved and thus suffered, I assume, some consequences because of wrongdoing, which appears to be one of the central, if not collateral, issues of this proposed inquiry.

I may be wrong about this, and perhaps either Senator Oliver or Senator Lynch-Staunton will respond to my question. Section 13 of the Charter, which came after the Beauharnois inquiry, as I recall, provides that incriminating evidence provided to a parliamentary committee may not be used directly or indirectly in subsequent criminal proceedings, except in a prosecution for perjury or the giving of contradictory evidence.

Is the purpose of this inquiry in some way truncated by the fact that if wrongdoing is ascertained by the committee, then no consequences would flow from its findings, save for perjury or providing demonstrably false evidence to the committee? Is that a consequence of this provision?

I return to the comments of my colleague Senator Bryden. I think it is appropriate for the Senate to be fully aware of all the possible outcomes before we embark on this costly inquiry. Having said that, however, I may find that this could be a very interesting and historic exercise.

**Senator Oliver:** I thank the honourable senator for his question.

**Hon. William M. Kelly:** Honourable senators I, too, should like to ask a question. As everyone knows, I am not trained legally. However, I am curious.

It seems to me that all of these questions need to be answered. Setting aside the fact of the committee that we presently envisage looking into this matter, does the fact that such questions exist suggest to us that it would not be possible to have an independent royal commission?

The fact remains that serious allegations have been made. Serious suggestions of wrongdoing have been made. It is logical to me that those allegations and suggestions should be investigated. Those who made those allegations must have evidence which I have not seen. I do not think anyone has seen that evidence. Yet, the allegations persist.

None of the questions raised today would have ceased to exist if the government had decided to appoint a royal commission. I ask: Why are we in any different circumstance? We have already stated that we would have preferred a judicial inquiry. The only way left to us is an inquiry by the Senate.

I am not here to criticize anyone, but I am puzzled by all these questions. Of course these questions are legitimate, but are they offered as a reason for not proceeding? If they are, then how else do we proceed?

**Senator MacEachen:** Let us pass the motion.

On motion of Senator Berntson, debate adjourned.

The Senate adjourned until tomorrow at 2:00 p.m.

# THE SENATE

**Thursday, May 4, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### VICTORY IN EUROPE

FIFTIETH ANNIVERSARY COMMEMORATING THE CESSATION OF HOSTILITIES

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, during the next few days, here in Ottawa, across the country and around the world, Canadians will be commemorating the fiftieth anniversary of the Allied victory in Europe — V-E Day. The sense of jubilation and relief felt by Canadians on May 8, 1945, was immense, and those feelings will be played out again and again across our country and throughout Europe this week and in the days ahead.

We will remember the final push made by the Canadian army to rout out pockets of enemy troops in the area surrounding Antwerp, to breach the German's Siegfried line and reach the Rhine River, and to advance steadily and relentlessly along the northern coastal areas of France and Holland. We will remember all those who gave their lives. We will remember with undiminished horror, rage and grief as a result of the revelations of the death camps, which forever surpass and defy comprehension.

Our armed forces overseas played a critical part in the liberation of Europe, particularly in the Netherlands where Canadians negotiated a truce enabling the Allies to bring in desperately needed relief supplies for the civilian population even before the German army finally surrendered. Our arrival there, we are told, was met with joy and tears of relief by those beleaguered people.

In the words of a Dutch teenager in the Hague that day:

> As the first tank came nearer...there was a big hush over all the people, and it was suddenly broken by a huge scream, as if out of the earth. And then the people climbed on the tanks...and they were crying. And then we were running with the tanks and the jeeps all the way into the city.

Liberation, honourable senators, was not achieved without great cost to Canada. Between September 1944 and May 1945, more than 7,000 Canadians had died in the effort to free the Netherlands. Since that time, Canadians have felt a very special kinship with the Dutch people, not only because of our role in the liberation, but also because from 1940 to 1945 Canada was home to then Crown Princess Juliana and her two daughters, current Queen Beatrix, and Princess Margriet, who was born here in Ottawa at the Civic Hospital.

Recognizing and appreciating this special relationship, the Prime Minister is leaving for the Netherlands today to participate in the V-E Day celebrations. On Saturday, Mr. Chrétien will be laying a wreath at the Groesbeek Canadian War Cemetery in Holland, where 2,338 Canadians are buried. He will be accompanied by a parliamentary delegation, including about 100 veterans who have made the trip to remember events half a century ago, to pay tribute to their fallen comrades and to renew friendships with many of the people they helped to liberate.

Honourable senators, on May 7, the Dutch will have a national parade at Apeldoorn with thousands of veterans present, during which paper maple leafs made by Canadian school children will be dropped over the ceremony. Here, on May 8, as all senators know, a commemorative ceremony will be held at the National War Memorial, where paper tulips made by Dutch children will be dropped over the Cenotaph.

As we pay our tributes over the years, we realize that our men and women in the Canadian forces did much more than help to restore freedom to Europe. They also ensured freedom for Canada and helped give to Canadians a great sense of our abilities, strength and spirit as a nation. In fact, they gave us a future.

In his address to his troops at the end of the war 50 years ago, Canadian General Henry Crerar said:

> 'Each for all' has been the guiding principle of the Canadian army in battle. That same principle is the essential one to which we must adhere if we are to assure the life and growth of democratic government in the world....Soldiers of Canada have worked [for] it in war; citizens of Canada can do no less in peace.

Today, honourable senators, we remember with pride, sadness and immense gratitude.

### HALIFAX MKVII BOMBER

RECOVERY AND RENOVATION OF AIRCRAFT SUNK IN LAKE MJOSA, NORWAY, DURING WORLD WAR II

**Hon. John Sylvain:** Honourable senators, in the early hours of April 24, 1945, a Halifax MKVII, the type flown by crews of the Alouette Squadron 425, was engaged in a supply drop to the Norwegian resistance. The bomber was hit by German flak and was forced to ditch in Lake Mjosa. Fortunately, the crew escaped unharmed. The aircraft sank 700 feet into a very cold, Norwegian, watery grave.

The important fact about the Halifax bomber is that of the 39,000 combat sorties carried out by Canada's heavy bomber squadrons, 28,000 were flown on "Hallies," as they were called. The Halifax is now one of the rarest of all the "war birds." There exists only one, the Halifax MKIII, at a museum in Elvington, England.

Some few years ago, through underwater sonar imaging, the Halifax at the bottom of Lake Mjosa was located and found to have suffered minimal damage. A young commercial airline pilot, Karl Kjarsgaard, heard about it and took the initiative with Fred Jeffrey, DFC, and others, to found the Halifax Aircraft Association. A plan was developed to raise the Halifax, bring it to Canada, rebuild it and display it at the RCAF memorial museum in Trenton as a tribute to all Canadians who served so valiantly in the RCAF.

As a veteran of the RCAF during World War II, and even though I served with the RAF Transport Command instead of RCF Bomber Command, I was anxious to help Senator Jack Marshall, who became involved in the project, and to continue helping as honourary director of the project.

So many people contributed time, effort and money: the Norwegians, in recognition of our wartime help, have facilitated the acquisition of rights and permits through the help of our Canadian ambassador, Robert Pederson; Candive Marine Limited of B.C. will provide their deep dive technology to raise the aircraft; Norwegian companies are providing other technical assistance "for the Canadians, no charge"; the Department of National Defence will provide a Hercules aircraft to fly the aircraft remains home.

Furthermore, the Department of Veterans Affairs, Canadian Heritage and the Prime Minister's office have been of material assistance and enthusiastic support. A number of generous companies are making significant contributions to the cost involved, as well as a number of veterans' associations that are raising funds across the country.

When the Halifax MKVII bomber is finally brought to Canada, restored to its former glory and put on public display, Canadians will have before them a beautifully restored link to their glorious past.

The young men with whom I joined up more than half a century ago, like Sam Grant, who did his tour of operations on the Halifax and survived, and Dick Vature, who did not survive, as well as hundreds of others with whom I served, deserve this memorial as a tribute to their honour and their valour.

**Hon. Senators:** Hear, hear!

## WARS AND REMEMBRANCES

FIFTIETH ANNIVERSARY OF THE VICTORY IN EUROPE

**Hon. Richard J. Doyle:** Honourable senators, celebrating the 50th anniversary of the day the big war ended has the approval of the folks who run Ottawa's war museum. They wondered aloud the other day who would be around to celebrate the 75th anniversary.

You might think that that is a good point, until you are drowned out by the loud harrumphing from veterans of World War I, who are still alive and still remembering after 77 poppy days along that winding long, long trail.

Like most veterans of most modern wars, the survivors of Passchendaele, Ypres and Vimy Ridge use anniversaries to promote determined efforts to set straight the record of what happened to them in their war. If anything keeps them going, it is their last gasps of reluctance to leave a true no-man's land to be captured by revisionists: revisionists who build their careers on self-serving interpretations of the principles and motivations of the dead, and depend for credibility on high school students who have never heard of the battles they fought.

A few days ago, funeral services were held in Toronto for J. Douglas MacFarlane, a veteran of the war that began for us in 1939 and ended in 1945. The job that MacFarlane undertook in that dreadful conflict was the scotching of rumour, fear, and on-the-spot revisionism among Canadian troops overseas. "Improvement of morale" was the purpose set forth by the military for *The Maple Leaf*, the newspaper of our army. However, MacFarlane, as *The Maple Leaf*'s editor, saw a wider role, a more demanding purpose, and a more rewarding — if irreverent — role for himself and the writers and editors who worked under him. Thus instructed, *The Maple Leaf* loaded its cameras, typewriters and drawing boards in the saddlebags of a liberating army more than 50 years ago.

For a time when the war was over, MacFarlane worked as city editor of *The Globe and Mail*. In its obituary column the other day, *The Globe and Mail* article noted that, in 1945, the commander of the Canadian Forces in the Netherlands had removed MacFarlane from the editorship of *The Maple Leaf* "after he was critical of Canada's repatriation policy."

Like everything else written about this Essex Scottish officer's military career, that was an understatement. In his flagrant duel with the MacKenzie King government's posturing, MacFarlane and his helpers had not only been truthful about the messing about with the boats to take the soldiers home, they had published mean-spirited tributes to the people who had harboured the boats.

Beware of soldiers bearing poetry! While I was waiting in a Nissen hut at York for a boat to take me home, the following lines appeared on the front page of my copy of *The Maple Leaf*:

> Come fill the cup with atrabilious liquor,
> And drink to our Empire wide across the flood,
> For blood, as all men know than water's thicker,
> But water's wider, thank the Lord, than blood.

It was a long, ascending road that took J. Douglas, the parson's son and journalist innovator, to tasks as editor-in-chief of the old *Toronto Telegram* and editorial director of *The Toronto Sun*. His story fits no precise or handy classification of veteran this or veteran that. Each man or woman I knew in Canada's wartime forces had his or her own story to tell. For some, service was a lark, an adventure, and is a golden memory. For others, it was an agony, a burden, and is a nightmare still. However, for most, service was a duty reasonably expected of them and something that changed their lives.

On this day, 50 years ago, in a village called Witchford, near the city of Cambridge, a Canadian pilot named Robert Bradford, with a Canadian navigator named Robert Jackson, flew in Bomber Command. Their crew included these Britons: Roy Woodroffe, Denis Mattravers, Ken Syratt and Alan Cooper. Together, they dropped bombs on Germany, carried food to the Netherlands, and ferried Canadian soldiers back from Nazi prison camps. The only remarkable thing about them was that they trusted each other as they never had trusted people before. That was the beginning of lifetime friendships that cost them plenty of dollars and pounds sterling, flying back and forth across the Atlantic to check up on and pronounce upon each other.

Who was the seventh member of that Lancaster crew? That was me. Happy Anniversary.

## THE SENATE

### MAURICE BOLDUC—FELICITATIONS ON ELECTION AS PRESIDENT OF L'ASSOCIATION PROFESSIONNELLE DES STÉNOGRAPHES OFFICIELS DU QUÉBEC

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am sure you will join with me as I take a moment today to congratulate our Assistant Editor of French *Debates*, Maurice Bolduc, who received a very special honour in Montreal last weekend.

[*Translation*]

Honourable senators, he was unanimously elected president of the Association professionnelle des sténographes officiels du Quebec at its annual convention. This association, established in 1965, comprises 150 reporters working in French, English and bilingually. It has members in 14 law societies across Quebec and a board of directors of 10.

[*English*]

Mr. Bolduc first arrived on the Hill in 1966. He has spent 29 years as a key player in French *Debates*.

I am certain all honourable senators will join with me and with all of his Senate colleagues in extending him our warmest congratulations for achieving this honour.

[*Translation*]

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I am pleased to join with the government leader in congratulating Maurice Bolduc on his rising to the presidency of his association. It is all to his credit, and I am sure that if he were entitled to speak, he would be the first to praise those on his team and share the honour with them.

We may be justifiably very proud — and I will take the opportunity today to say so — of the work of the Senate reporters. They work efficiently and quickly under particular conditions that are not always easy. Today I have the opportunity not only to congratulate Maurice Bolduc, but to thank all those he works with as well.

[*English*]

# ROUTINE PROCEEDINGS

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

### TWENTY-THIRD REPORT OF COMMITTEE PRESENTED

**Hon. Earl A. Hastings**, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, May 4, 1995

The Standing Committee on Internal Economy, Budgets and Administration, has the honour to present its

TWENTY-THIRD REPORT

Your Committee has examined and approved the budget presented to it by the Standing Senate Committee on Energy, the Environment and Natural Resources for the proposed expenditures of the said Committee for the fiscal year ending March 31, 1996, with respect to the continuation of its special study of National Protected Areas Strategy, as authorized by the Senate on Wednesday, April 27, 1994, Tuesday, November 29, 1994, and Tuesday, May 2, 1995. The budget is as follows:

| | |
|---|---|
| Professional and Other Services | $46,900 |
| Transportation and Communications | 16,185 |
| All Other Expenditures | 2,000 |
| TOTAL | $65,085 |

Respectfully submitted,

EARL A. HASTINGS
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

**Senator Hastings:** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*g*), I move that the report be adopted now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I assume that there is nothing terribly urgent about this report. In the ordinary course of events, it would be dealt with at the next sitting of the Senate, which is when I suggest we deal with it.

On motion of Senator Hastings, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

TWENTY-FOURTH REPORT OF COMMITTEE PRESENTED

**Hon. Earl A. Hastings**, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, May 4, 1995

The Standing Committee on Internal Economy, Budgets and Administration, has the honour to present its

TWENTY-FOURTH REPORT

Your Committee has examined and approved the budget presented to it by the Standing Senate Committee on Agriculture and Forestry for the proposed expenditures of the said Committee for the fiscal year ending March 31, 1996, with respect to the continuation of its special study of the future of agriculture in Canada, as authorized by the Senate on June 7, 1994 and on March 21, 1995. The budget is as follows:

| | |
|---|---|
| Professional and Other Services | $1,000 |
| Transportation and Communications | 10,100 |
| All Other Expenditures | 600 |
| TOTAL | $11,700 |

Respectfully submitted,

EARL A. HASTINGS
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Hastings, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

TWENTY-FIFTH REPORT OF COMMITTEE PRESENTED

**Hon. Earl A. Hastings**, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, May 4, 1995

The Standing Committee on Internal Economy, Budgets and Administration, has the honour to present its

TWENTY-FIFTH REPORT

Your Committee recommends, notwithstanding the Procedural Guidelines for the *Financial Operation of Senate Committees*, three-twelfths of all committee budget applications received no later than May 31, 1995 be approved.

Respectfully submitted,

EARL A. HASTINGS
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Hastings, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

TWENTY-SIXTH REPORT OF COMMITTEE TABLED AND PRINTED AS APPENDIX

**Hon. Earl A. Hastings:** Honourable senators, I have the honour to table the twenty-sixth report of the Standing Committee on Internal Economy, Budgets and Administration which deals with the 1995-96 budgets of Parliamentary Associations.

Honourable senators, this represents the first report with respect to the operation of the Joint Committee of the House of Commons and the Senate on the Administration of Parliamentary Associations. The report contains the budget established for the associations for the coming year.

In seeking the widest possible transparency for these figures, I ask that the report be printed as an appendix to today's *Minutes of the Proceedings of the Senate.*

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

(For text of report, see today's *Minutes of the Proceedings of the Senate.*)

## BUSINESS OF THE SENATE

ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday, May 9, 1995, at two o'clock in the afternoon.

**The Hon. the Speaker:** Is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## EXPENDITURE MANAGEMENT SYSTEM

NOTICE OF MOTION TO AUTHORIZE NATIONAL FINANCE COMMITTEE TO EXAMINE AND REPORT UPON PROGRAMS AND OTHER DOCUMENTS

**Hon. H.A. Olson:** Honourable senators, I give notice that on Tuesday next, May 9, 1995, I will move:

That the Standing Senate Committee on National Finance be authorized to examine and report upon Program Priorities and Expenditures as presented in Departmental Outlook and other public documents emanating from the new Expenditure Management System of the Government of Canada.

## EUTHANASIA AND ASSISTED SUICIDE

COMMITTEE AUTHORIZED TO EXTEND DATE OF FINAL REPORT

**Hon. Joan Neiman:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

That notwithstanding the order of the Senate adopted on Wednesday, March 1, 1995, the Special Senate Committee on Euthanasia and Assisted Suicide, which was authorized to examine the legal, social and ethical issues relating to euthanasia and assisted suicide, be empowered to present its final report no later than May 31, 1995, and that the committee retain all powers necessary to publicize the findings of the committee contained in the final report until June 14, 1995.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

# QUESTION PERIOD

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—
COMMENTS OF MINISTER ON DELAY IN RENOVATIONS
ON TERMINALS 1 AND 2—GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, yesterday the Minister of Transport was quoted as saying that a Senate inquiry into the Pearson agreements would delay the much-needed renovation work on Terminal 1 and Terminal 2.

It is certainly not the intention of anyone in this chamber, and certainly not on this side, to be party to a delay in any essential works at Pearson.

Perhaps the Leader of the Government could explain to us in what way a Senate inquiry into the agreements would, according to the minister, delay the much needed renovation work.

**Hon. Joyce Fairbairn (Leader of the Government):** I must confess that I have not seen those comments by the Minister of Transport, and would certainly wish to see them and ask him about them before commenting.

**Senator Lynch-Staunton:** Along the same lines, the leader's colleague has stated, in a written answer to the Senate, and the Leader of the Government has repeated that statement, that the adoption of Bill C-22 is necessary before renovations can begin because of certain legal impediments which only the passage of Bill C-22 would remove. On the other hand, every participant in the consortium, including those affected by so-called legal impediments, has agreed that they will not stand in the way of any renovations.

Why is the government not taking advantage of this and proceeding immediately to having the essential work carried out?

**Senator Fairbairn:** As I have said before in the Senate, it has been the policy — and the hope — of the government to clear the decks, as it were, on the whole question of the Pearson impediments, or whatever you wish to call them, through the legislative process. That has been the goal of the government and remains the goal of the government. I hope we can make progress on it.

In the past, my friends have suggested other avenues that might be approached. I would still suggest to my friends that the way in which the government has chosen to proceed — the cleanest way it has chosen to proceed — is the route of legislation by way of Bill C-22.

**Senator Berntson:** And the most unfair.

**Senator Fairbairn:** I hope we will make progress on that bill.

**Senator Lynch-Staunton:** Finally, even if there were no Bill C-22, no inquiry and no legal impediments, is it not a fact that by cancelling the Pearson agreements, the government itself has caused a delay in the renovations of Terminal 1 and Terminal 2? That is a delay which may well last over a year, since any agreement between Transport Canada and the Greater Toronto Airport Authority will not be signed before April 1, 1996 at the earliest. Until then, no substantial work can take place.

Will the government spokesman here not agree that the cancellation of the agreements, while perhaps politically astute at the time it was taken, but not so astute in view of new facts that have come to light since, has also caused a delay in essential works because the government has absolutely no way to replace what the consortium was willing to do? We must now wait at least a year before the lease is agreed to between the airport authority and Transport Canada.

In other words, how can the Leader of the Government and her colleagues continue to deny, when faced with such convincing evidence, that the government itself is responsible for the delays through its bumbling and its ineptitude? How can they continue to maintain that, by delaying the passage of a heinous bill, we are responsible for these delays?

**Senator Fairbairn:** With great respect to my honourable friend, I would not share his definition of "convincing evidence." I would repeat again that the government took the position, well over a year ago, that it was the policy of the government at that time that the cancellation of the Pearson airport agreements and all of the obligations therein by way of this piece of legislation was the preferred option of the current government. That remains the policy today.

This bill also represented an effort to achieve, on behalf of the Canadian taxpayer, some protection against the potential loss of hundreds of millions of dollars that could occur without the passage of Bill C-22, and that also continues to be the position of the government.

[*Translation*]

## PUBLIC WORKS

CANCELLATION OF BUILDING CONTRACT IN DORVAL, QUEBEC—SUBSTITUTION OF RENTAL AGREEMENT—REQUEST FOR PARTICULARS

**Hon. Pierre Claude Nolin:** Honourable senators, this morning's issue of *La Presse* announced that the Department of Public Works has decided to exercise its option under a lease agreement for a building in Dorval, Quebec, which is occupied by the Department of the Environment.

According to *La Presse*'s calculations, the exercise of this option would mean that the federal government is paying $175 per square foot for the building, when the cost of space in this class of building in Montreal is around $65 to $75 per square foot. That is a difference of $100 between the market value and the value of the option which the government just exercised.

An official, a certain Mr. André Godin, of Mr. Dingwall's department, Public Works, was willing to answer the questions of *La Presse* reporters. He explained that the department had done a financial analysis. This analysis, he said, demonstrated that:

> It is clearly and without a doubt to the government's advantage to acquire this building.

He would not allow *La Presse* to consult the analysis in question, saying that the transaction had not yet closed. He recommended that the paper attempt to obtain the document under the Access to Information Act.

My question, honourable minister, is clear. Can you reveal to us your calculations, your iron-clad evidence that the government should have exercised the option for $175 per square foot although the market value of a square foot in this building is only $75?

[*English*]

• (1440)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, this is all news to me. I will be pleased to follow it up with my colleague Mr. Dingwall.

**Senator Nolin:** In order to ensure a complete answer to my question, would the Leader of the Government ask her colleague to please provide all financial arguments, not merely a one-page written answer? What was the rationale behind the decision to acquire a building for $175 per square foot instead of $75 per square foot?

**Senator Fairbairn:** I will take the information my friend has provided and see what I can do for him.



## INTERNATIONAL TRADE

PEARSON AIRPORT AGREEMENTS—MEETING OF MINISTER WITH BRITISH COUNTERPART—REQUEST FOR PARTICULARS

**Hon. Consiglio Di Nino:** Honourable senators, my question is for the Leader of the Government in the Senate. In Canada's foreign service magazine, *bout de papier*, spring edition, 1995, is an article entitled "Minister Maclaren Comes to Town," which raises certain questions, particularly as a result of the following statement:

> In the afternoon, High Commissioner Eaton accompanies the Minister to the meeting with his British counterpart. The cancellation of the Pearson airport contract...are discussed.

Would the Leader of the Government in the Senate please provide clarification by either responding to, or obtaining the answers to, the following questions: What was the date of this discussion? Who requested that this topic be placed on the agenda, and why? Could you please provide the minutes of the meeting? Was a follow-up to this discussion requested by anyone attending the meeting? Last, but not least, perhaps most important, were any British firms involved in the Pearson airport contract? If so, will they be treated in any way different from Canadian firms?

**Hon. Joyce Fairbairn (Leader of the Government):** I will convey my honourable friend's questions to my colleague and seek a response.

## NATIONAL DEFENCE

FUTURE OF PEACEKEEPING FORCES IN FORMER YUGOSLAVIA—GOVERNMENT POSITION

**The Hon. the Speaker:** The Honourable Senator Ottenheimer.

**Hon. Gerald R. Ottenheimer:** Thank you, Mr. Speaker.

Approximately a month ago, Canada renewed —

**Senator Cools:** You should say "honourable senators," not "Mr. Speaker."

**Senator Ottenheimer:** I will speak the way I wish to as long as I am in order. The honourable senator will speak the way she wishes to. The Honourable Speaker recognized me, and I said, "Thank you, Mr. Speaker." I shall say it again: Thank you, Mr. Speaker.

Approximately a month ago, as honourable senators are aware, Canada renewed its peacekeeping commitment in the former Yugoslavia. The Minister of National Defence was careful to indicate that this was not an open-ended situation and that it was expected that progress towards peace would be made.

Honourable senators are aware that unfortunately, in the last number of days, there has been what one could call an "escalation" of the dangerous situation in that area. Is the Leader of the Government in the Senate in a position to provide the Senate with any update respecting Canada's intentions in the former Yugoslavia?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, to my honourable friend, I believe the Prime Minister responded in the House of Commons, in a very strong manner, about the renewal or outbreak of hostilities. He has indicated that the attack launched by the government troops in Croatia runs contrary to the efforts of the international community, including Canada, and therefore is forcefully condemned, as well as the retaliations by Croatian Serbs against civilian targets in Zagreb.

As always, the outbreaks in this area are of considerable concern to the government in terms of the security of our troops and also the threat to the civilian population there. We hope that the parties involved will not again resort to military operations, including attacks against civilians, to secure their aims. As my honourable friend will know, the government has commented on the rotation of troops in that area.

I have nothing more to add today.

**Senator Ottenheimer:** Honourable senators, the Honourable Minister of National Defence, speaking in the other place on March 29, mentioned the possibility that the United Nations may wish to alter Canada's mandate sometime in the future and may not wish to have Canada continue in both theatres — Bosnia-Hercegovina and Croatia — but rather to concentrate on Croatia.

The minister said:

> ...perhaps with a reformulated mandate in Croatia and a heightened Canadian presence there, we may be able to more effectively contribute in that area.

Is the minister in a position, now or at some future time, to provide details and parameters with respect to what the government has in mind, the nature of this reformulated mandate, and the extent of this heightened Canadian presence?

**Senator Fairbairn:** Honourable senators, I am not in a position to do so today, but I certainly will speak with my colleague the Minister of National Defence to see how those considerations and discussions are progressing.

## TRANSPORT

### PEARSON AIRPORT AGREEMENT—LEGISLATIVE SOLUTION TO DISPUTE—GOVERNMENT POSITION

**Hon. Finlay MacDonald:** Honourable senators, my question is for the Leader of the Government in the Senate. I have a question that I do not think she will need to put to any of her colleagues. It is a question from one politician to another.

We have come quite a way in the last year and a half with regard to Bill C-22. There have been a tremendous number of developments in the court by way of appeals and damages sought by certain people. We have had meetings of the Standing Senate Committee on Legal and Constitutional Affairs, albeit narrowly focused on constitutional issues and other grounds which have not been settled.

We are about to approve a motion to set up an awesomely hard-working committee which does not really know where it is going, but is searching for the truth, and with which the Leader of the Government agrees. However, she continues to refer to some type of legislative solution that would take place in the midst of all of this activity.

Could I ask the honourable leader what evidence she has to justify her confidence that a legislative solution will prevail? Why should we proceed with Bill C-22 in the face of such confidence?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, it has certainly been clear from the comments of our colleague Senator Lynch-Staunton, and indeed from my own comments, that the discussions on Bill C-22 and the procedure on the inquiry are two completely separate tracks. We have approached the issue in this way, as has my honourable friend.

When I use the term "a legislated solution" — and my friend Senator Murray has queried me on this — I admit I should be less vague and simply say the passage of Bill C-22. Passage of the bill is still the preferred option of this government. That is a clear, unequivocal statement.

My optimism rests on the conviction that we in this house can work our way through the issues being dealt with in the hearings of the Standing Senate Committee on Legal and Constitutional Affairs. Chairman Beaudoin indicated that he believed, as do we, that there is room for agreement on the legislation. That, honourable senators, is my position. I continue to be optimistic, and I will not ask you today whether I should continue to be so. I hope we will be able to see our way clear in this house to approve that legislation in the same continuing manner of cooperation.

As far as the inquiry is concerned, as I indicated clearly on Tuesday, we are not opposing it. The inquiry covers a multitude of very important issues. We will participate and we will cooperate in such an inquiry. It is to be hoped that, at the end of the day, the Canadian people will have a much better understanding of what this issue is all about and how it has developed over a period some six years now.

In a nutshell, I see the two issues as being separate. We are committed to this bill. We would be delighted, through cooperation in this house, to achieve a successful conclusion and passage of it. I will stop talking about "legislative solutions" and stick clearly to "the passage of Bill C-22."

**Senator MacDonald:** I, too, agree that the two are separate. However, though you talk about giving the people of Canada an understanding of what is happening on this issue, I would be curious to discover what their reaction would be if a Senate inquiry, lasting a year more or less, were continuing, while, at the same time, something was happening that would induce this side to pass Bill C-22. That would restrict the actions of those seeking recourse and would, in turn, cause the people of Canada to realize that the bill already has been passed, and thus to ask: "What are they up to now? What are they doing? Will they spend the next year looking after just the reputations of people who may have been aligned or may not have been aligned? Are they studying some broader subject now?"

In the unlikely event of the passage of Bill C-22 before the report of this committee, is it not your opinion that that would cause even greater confusion in this country?

**Senator Fairbairn:** With great respect to my friend Senator MacDonald, I do not concur with his view. I do not see the possible passage of the bill as being something that would be an issue of great confusion. Following the election, it was very clear what the views of the government of Canada were on the issue of Pearson airport. That was very clear in the middle or towards the end of the election when the deal was signed in full view of the Canadian people and amid tremendous controversy.

In any event, the deal was signed. The election took place. A new government was elected. That new government undertook its responsibility to declare its policy on the signing of the deal. It produced a tough piece of legislation, one that has been steadfastly opposed by my honourable friends.

I am not arguing with my honourable friend. That is his right. That is the responsibility which the opposition has taken unto itself in disagreeing with this piece of legislation.

However, there is surely no disagreement as to the responsibility of the Government of Canada to make its policy decision on how to deal with this situation. The decision was made and the bill was drafted. The bill then came into the House of Commons; it was passed; it came here to the Senate. On the suggestion of the Senate, the House of Commons amended the bill and sent it back to the Senate. That bill is now before the Standing Senate Committee on Legal and Constitutional Affairs, where it has been since last September.

We have held hearings. We have heard witnesses. The government has made proposals and has taken very seriously the concerns which have been raised in that committee — very seriously indeed. We are seeking the passage of Bill C-22, as it is the responsibility and the policy of this government to do by its decision. I do not see any confusion there at all.

We are now embarking upon an inquiry on the background of how this whole process took place, and why it happened. That is quite different from the issue of the cancellation of the deal, and the right of the Government of Canada to make that decision and to pursue it.

Where will it go from here? This afternoon, my honourable friend has given me a fairly obvious clue, and I will ponder that.

**Senator MacDonald:** Would you not agree that, as far as Bill C-22 is concerned, the ball is still in your court?

**Senator Fairbairn:** Honourable senators, the bill is before the Standing Senate Committee on Legal and Constitutional Affairs. That committee can meet; they can discuss this bill further, and they can take a decision. On the floor of this chamber, I will not discuss with my honourable friend the proposals from either side as to how we should proceed. The fact of the matter is that the bill is before the committee. It is there to be discussed, to be debated by both sides, to progress and — presumably and hopefully — to be passed.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alastair Graham (Deputy Leader of the Government):** I have two delayed answers, honourable senators.

**Hon. Pat Carney:** I hope one of them is mine. I have been waiting for months for an answer.

**Senator Graham:** I am sorry, Senator Carney, I do not have a response to your question.

**Hon. Joyce Fairbairn (Leader of the Government):** In connection with Senator Carney's question, I have received half of a response, and I am awaiting the other half.

**Senator Graham:** I have a response to a question raised in the Senate on March 21, 1995 by the Honourable Senator Cochrane regarding the scholarship program; also a response to a question raised in the Senate on April 6, 1995, also by the Honourable Senator Cochrane, regarding tuition fee increases.

## POST-SECONDARY EDUCATION

CANADA SCHOLARSHIPS PROGRAM—EFFECT OF CUTS—POSSIBILITY OF REPLACEMENT—GOVERNMENT POSITION

(*Response to question raised by Hon. Ethel Cochrane on March 21, 1995*)

The Canada Scholarships Program (CSP) was created to encourage top students, particularly women, to study in science, engineering and technology, at a time when science & technology enrolment was declining.

Recent statistics show that enrolment of students in science & technology, particularly women, has increased steadily since 1988 when the CSP was introduced.

This is positive reinforcement pointing to the fact that the CSP has successfully fulfilled its objectives. These trends will continue without the added incentive of the CSP.

The CSP will not be offering new scholarships starting in 1995-96, but the federal government will honour its commitment to the existing scholars who meet the eligibility and renewal criteria.

As well, the Association of Universities and Colleges of Canada and the Association of Canadian Community Colleges are working in conjunction with Industry Canada to explore the possibility of private sector sponsorships.

INCREASES IN UNIVERSITY TUITION FEES IN NEWFOUNDLAND—GOVERNMENT POSITION

*(Response to question raised by Hon. Ethel Cochrane on April 6, 1995)*

Canada has one of the best and most accessible higher education systems in the world. This reflects our very high level of financial support for universities and colleges. In fact, a recent OECD report, *Education at a Glance*, ranked Canada first among all members in the proportion of its GDP allocated to post-secondary education (2.4%).

The Government of Canada has long played an important role in supporting post-secondary education to further the achievement of a wide range of national economic, social and cultural objectives. In 1993-94, of the $15.2 billion spent on post-secondary education in Canada, federal support reached over $8 billion, or over half of the total support. Despite the important role played by the Government of Canada in supporting post-secondary education, it is essential to understand that provincial governments are responsible for the financing and management of their college and university systems, and in particular, for setting the level of tuition fees.

Provincial jurisdiction, together with the fact that federal transfers to provinces for post-secondary education are unconditional, means that there is no direct connection between federal transfers and provincially-set tuition. This is demonstrated in Newfoundland by the fact that university fees were raised by over 112% between 1984-85 and 1993-94, even though federal transfers in respect of post-secondary education have increased by more than $27 million during this period. One consequence of this arrangement is that the federal government cannot accurately predict the level of tuition fees in future years in Newfoundland or any other province.

Moreover, like many other provinces, Newfoundland has in recent years somewhat restrained its support for post-secondary education as part of a general effort to control provincial expenditures. Hence, the announcement of a further reduction in the province's latest Budget was not altogether a surprise.

As for the question of future debt loads experienced by Newfoundland students, they will, of course, depend in part on the level of tuition. As already pointed out, this is a matter for the provincial government to determine.

It should be noted, however, that the federal government has substantially improved the Canada Student Loans Program (CSLP) in the past year, increasing the maximum weekly loans from $105 to $165 per week. This will help greatly in a situation of rising student costs.

With respect to the reduction in federal funding of scholarship programs, Industry Canada will phase out the Canada Scholarships for science and technology students over the next few years, as part of that department's reductions in program spending.

Much as this Government regrets its elimination, this program only helped a very small percentage of students, and its disappearance will have little effect on the overall situation of post-secondary students. By contrast, the Canada Student Loans Program helps over 300,000 students per year.

The federal government is committed to supporting post-secondary education, and federal assistance will continue principally through the three established channels of transfers to provinces, aid to students, and university research funding.

As announced in the February 1995 Budget Speech, the new Canada Health and Social Transfer (CHST) will provide provinces with ongoing support for health, post-secondary education and welfare and allow them greater flexibility in addressing their priorities.

The Minister of Human Resources Development will be working with the provinces to develop appropriate principles and objectives to guide the CHST and continuing federal-provincial cooperation in the areas it covers, including post-secondary education support. The department will also continue to work with provincial authorities, as well as stakeholders, to further improve the Canada Student Loans Program as circumstances evolve.

## CANADA COUNCIL

CLOSURE OF ART BANK—GOVERNMENT POSITION—REQUEST FOR ANSWER

**Hon. Eymard G. Corbin:** Honourable senators, does the Deputy Leader of the Government in the Senate anticipate an early response to a question I asked concerning the closing of the Art Bank of the Canada Council?

I ask the question because I wrote some weeks ago to the minister who answers in Parliament for the Canada Council. I have had no reply. I have also written to the director of the Canada Council. I have not received a reply. The council is in the process of terminating the art bank. We do not know what is happening and I would like an early reply.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have asked for a full report on all outstanding questions and I am pressing for appropriate answers. I will do my best to obtain them between now and the next sitting.

# ORDERS OF THE DAY

## ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

NATIONAL PROTECTED AREAS STRATEGY—
COMMITTEE AUTHORIZED TO EXTEND DATE OF FINAL REPORT

The Senate proceeded to consideration of the twelfth report of the Standing Senate Committee on Energy, The Environment and Natural Resources (extension of deadline), presented in the Senate on May 2nd, 1995.

**Hon. Pat Carney:** Honourable senators, I move the adoption of this report.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and report adopted.

## TRANSPORT

PEARSON INTERNATIONAL AIRPORT—
MOTION TO STRIKE SPECIAL COMMITTEE TO INQUIRE
INTO PRIVATIZATION CONTRACTS ADOPTED

On the Order:

Resuming the debate on the motion of the Honourable Senator Lynch-Staunton, seconded by the Honourable Senator Berntson:

> That a special committee of the Senate be appointed to examine and report upon all matters concerning the policies and negotiations leading up to, and including, the agreements respecting the redevelopment and operation of Terminals 1 and 2 of Lester B. Pearson International Airport and the circumstances relating to the cancellation thereof;
>
> That seven Senators, designated by the Committee of Selection no later than two weeks after adoption of this motion, act as members of the special committee, and that three members constitute a quorum;
>
> That the committee have power to send for persons, papers and records, to examine witnesses under oath, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee;
>
> That the committee have the power to sit during adjournments of the Senate;
>
> That the committee have power to retain the services of professional, clerical, stenographic and such other staff as deemed advisable by the committee;
>
> That the committee have power to authorize television and radio broadcasting, as it deems appropriate, of any or all of its proceedings; and
>
> That the committee present its final report to the Senate no later than one year following the striking of the committee.—(*Honourable Senator Oliver*)

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators —

**The Hon. the Speaker:** Honourable senators, I wish to remind the Senate that if the Honourable Senator Lynch-Staunton speaks now his speech will have the effect of closing the debate on his motion.

**Senator Lynch-Staunton:** Honourable senators, while listening to the Leader of the Government speak to this motion on Tuesday, I could not help but be reminded of a quote by Shakespeare in *Macbeth*:

> Is this a dagger which I see before me,
> The handle before my hand?

After reading her remarks with the attention they deserve, however, I found that the quotation was most inappropriate.

Our friends on the other side, by the admission of their leader, have bowed to the realities of the makeup of this place. "We on this side will not oppose this motion" is how Senator Fairbairn put it. That is not exactly a ringing endorsement, particularly as she did not come out and actually support the inquiry. This being said, her commitment "to participate fully and actively in the committee study," to use her words, is both most welcome and reassuring.

As Senator Oliver pointed out yesterday, the strength of this place lies in its committees. Whether engaged in routine reviews or special studies, Senate committees make major contributions to the improvement of legislation and the formulation of policy. An invaluable escalation of public awareness of faults and virtues in the law-making process and purpose is an added dividend of labours so carefully undertaken. We must all be aware, however, that we will be agreeing to engage here in a totally different committee activity than we are used to; namely, one that can be compared to the duties of a judicial inquiry or even a royal commission.

I agree with Senator Bryden that we may be venturing into the unknown and I admit to some apprehension as we approach such responsibilities. On the other hand, from what has been said about the Pearson agreements from the very day the Liberal government was sworn in — and relentlessly replayed, and repeated again only yesterday — I will spare my colleagues a catalogue of the invective calumny and bile; the words are all too familiar to us — this government itself has the full responsibility to initiate a thorough investigation into the terrible allegations that its ministers and members continue to spew in the other place.

Here is what the Minister of Transport is quoted as saying only yesterday concerning the Pearson agreements.

> Unless a person is blind or stupid or both, they have to know it stinks.

When asked to substantiate this repeated assertion, the mouthpiece of the party in power refuses, referring us instead to his favourite muckraking author.

What kind of society will allow libel to be equated with truth, pitiful ravings with profound thought and brutal assaults on reputations with acceptable public policy?

Excessive political rhetoric during election campaigns, however offensive, is part of the heat of the moment. However, when it is repeated and embellished endlessly in chamber, committee room and meeting hall by members of the Government of Canada, then we say that the bounds of decency have been overstepped, particularly when innuendoes and accusations of just about every reprehensible activity one's imagination can conceive are never supported with a single shred of evidence.

What is the result? What has come of what has been said again and again for over a year by supporters of the government? The reputations of hundreds of people in the public service and in private enterprise have been soiled since we have heard grave accusations, including many directed at members on both sides of this chamber.

Rather than attribute its claims to regrettable rhetorical excess, the government thrives on the canards that can only lead one to conclude that they are deliberately crafted and explicitly broadcast by party spin doctors. Senator Fairbairn dismisses this by saying that when the Liberals were in opposition here they were subjected to "a number of regrettable actions and remarks from former government voices." This may be so, but did a Conservative minister ever challenge the motives of Liberals sitting on a committee? Did a Conservative minister ever go to a Senate committee and tell the Leader of the Opposition that he was there to defend the interests of a particular group rather than to study the legislation before that committee with the serious thought it deserves?

I ask you to check the transcript of the Standing Senate Committee on Legal and Constitutional Affairs at its first meeting on Bill C-22.

**Senator Stanbury:** Those are nasty remarks.

**Senator Lynch-Staunton:** Nastiness is one thing; libel and calumny are something else.

Were Liberals ever accused of lining their friend's pockets; of having executed the biggest ripoff in Canadian history; of delaying legislation to the advantage of political supporters? If an inquiry is not held, Canadians will understandably keep on questioning and doubting all those involved in the Pearson agreements. Certainly, some will even believe that we have been conniving to raid the public purse. Let's face it: An inquiry is long overdue.

The Leader of the Government reminded us that I introduced the motion with little enthusiasm. Now that we have been assured by Senator Fairbairn that she and her colleagues will not object, it is still with little enthusiasm that I close the debate.

Honourable senators, mark my words: A Senate inquiry of the nature proposed is not the best way to proceed. The committee will be made up of members of two political parties which naturally have a vested interest in the outcome. No matter how circumspect their participation, the neutral approach which I hope they will take will naturally be suspect.

There is a much better way to proceed, one which we have promoted repeatedly in recent months and which I urge the government to adopt. It would be to the advantage of all, including that of the government, to establish an inquiry under the Inquiries Act and to appoint one or more persons to conduct it with the same terms of reference as in the motion before us. Non-partisanship would then not only be assured but also — and more significantly — it would be perceived to be assured.

Surely the government has a an obligation, now that it has abandoned its opposition to an inquiry, to assure that the examination is conducted under the most auspicious circumstances possible. The Inquiries Act allows this, and we are so supportive of this approach that I will be the first to propose that this motion be rescinded once the government accepts to invoke the Inquiries Act.

Let us be clear on what the committee's mandate. It is to look into every aspect of what led to the conclusion of the Pearson agreements and their cancellation and to report their findings on the agreements themselves and all those involved in them. This is neither an exercise in whitewashing nor in mud-slinging. It is a study of certain events which have been condemned by the government and its advisors as favouring a select few at the expense of Canadians as a whole. Why anyone would refuse an independent examination of such serious allegations is beyond many of us.

Failing a judicial review which only the government can institute, I do not envy those who will accept to serve on the Senate committee. They will be asked to devote many long days and nights to an analysis which, more often than not, will be tedious and tiring. Theirs is a heavy responsibility, but I am confident that it will be carried out in the best of Senate tradition.

Questions have been raised regarding the attendance of witnesses, solicitor-client privilege, and the status of privy councillors and members of Parliament. I have no ready answer to any of these, or to any other legitimate concerns regarding the committee's methodology. I could quote from the Parliament of Canada Act and from Beauchesne, but I would prefer that the committee itself explain its procedures to senators when its budget is submitted to us for approval by the Internal Economy Committee. As senators know, once a committee has been charged with a specific mandate, it must submit a budget to the Internal Economy Committee, which then makes the appropriate recommendation to this place. At that time, a full discussion on the questions raised by Senators Bryden, Grafstein, Stewart, Prud'homme and Kelly can certainly take place to the satisfaction of everyone.

As for the budget, I have no doubt that, faced with the reality of the fiscal strait-jacket in which Canada finds itself, its members will be ruthless in their preparations, while insisting that economy is not an excuse for work neglected or undone.

Let us at all times never lose sight of the circumstance which has brought us to this solemn course of action: the insupportable, unacceptable calumny which has been spoken as truth, and spread as unfounded rumour, against good men and women in the consortium, the public service and this chamber.

Again I lean on William Shakespeare to express what gravely troubles us, with the clarity of expression which is his alone. Shakespeare said this about the wickedness of rumour in *Henry IV*, Part II:

> a pipe...
> of so easy and so plain a stop
> That the blunt monster with uncounted heads,
> The still, discordant, wavering multitude
> Can play upon it.

Senator Stewart raised the point that in the motion the word "designated" is used regarding the role of the Senate Committee of Selection. He is quite right; the word should be "nominated." I am willing to make the appropriate motion that the word be changed so that we are very clear that the Senate Committee of Selection will be asked to nominate the members of the committee and then submit a report to this chamber for ratification.

On that note, honourable senators, I urge the adoption of this motion.

**The Hon. the Speaker:** Honourable senators, is it agreed that, in paragraph 2, the word "designated" be changed to the word "nominated"?

**Hon. Senators:** Agreed.

Motion, as amended, agreed to.

[*Translation*]

## THE SENATE

### IMPACT OF DECISION OF HOUSE OF COMMONS TO CEASE PUBLICATION OF COMMITTEE PROCEEDINGS— DEBATE ADJOURNED

**Hon. Jean-Robert Gauthier** rose pursuant to notice of April 5, 1995:

> That he will call the attention of the Senate to the decision of the other place concerning the publication of committee proceedings, to the serious impact of that decision on the proceedings of the joint committees of the Senate and the House of Commons, and to the issue of whether that decision is in compliance with the constitutional requirements of section 133 of the Constitution Act, 1867.

Honourable senators, this inquiry is a result of the decision by the other place to significantly amend the way minutes, testimony and committee proceedings in general are kept or transmitted.

During its meeting of February 28, 1995, the Board of Internal Economy of the House of Commons unilaterally adopted measures designed, among other things, to discontinue the editing, translation and printing of all deliberations of the parliamentary committees for one year, on a trial basis, as of April 1, 1995.

This new policy is dealt with in a declaration signed by the Speaker of the House of Commons, which reads as follows:

> The format of the minutes will be changed and the transedited transcript of the original text and its translation will be available in separate French and English versions. (Transedition is a process which allows for limited control by eliminating overlaps in the tapes, repetitions and quotes.) A bilingual table of contents will be annexed to each transcript, instead of an index. Members of Parliament, researchers and members of the parliamentary press gallery will have access to the minutes on PubNet, the service providing electronic broadcast for House of Commons documents. However, the text of the transcript will not be officially published.

This decision was made public on February 28, 1995.

This policy, which was adopted unilaterally by the House of Commons, will impact on the activities of the Senate. Indeed, the two houses have four joint committees, three of which are administered by the House, and one by the Senate. These committees are the Standing Joint Committee on Official Languages, the interparliamentary board, the Standing Joint Committee on the Library of Parliament, and the Standing Joint Committee for the Scrutiny of Regulations which, as we know, is under the authority of the Senate.

Consequently, if the other place refuses to continue to bear the costs related to the translation and printing of the proceedings of these committees, the Senate will have no choice but to bear them until a consensus is reached by the two Houses.

In fact, it would seem that the management of the House of Commons offered this house to provide the service, with costs to be shared between the two Houses in the usual way, that is to say on a 70-30 per cent basis for the Standing Joint Committee on Official Languages, and a 50-50 split was agreed on for the Standing Joint Committee for the Scrutiny of Regulations.

By imposing this new service charge on the Senate, is the House of Commons not overstepping its authority? Moreover, did the Senate consider adopting a position similar to that of the Commons and no longer having the minutes of proceedings of its committees translated and printed? In that case, the Senate must ask itself if Parliament has a legal, constitutional and moral right to do so. On the one hand, there are financial and organizational considerations and, on the other hand, the constitutional argument.

Section 133 of the Constitution Act, 1867, states that:

> Either the English or the French language may be used by any Person in the Debates of the Houses of the Parliament

> of Canada and of the Houses of the Legislature of Quebec; and both these Languages shall be used in the respective Records and Journals of those Houses..

Subsection 18(1) of the Canadian Charter of Rights and Freedoms, 1982, reads, and I quote:

> The statutes, records and journals of Parliament shall be printed and published in English and French and both language versions are equally authoritative.

Subsection 4(3) of the Official Languages Act passed by the Parliament of Canada in 1988 could not possibly be clearer. It reads as follows:

> Everything reported in official reports of debates or other proceedings of Parliament shall be reported in the official language in which it was said and a translation thereof into the other official language shall be included therewith.

Section 5 of the act goes on to state the same thing about journals and other records of Parliament. And, as we know, pursuant to Section 3 of the Official Languages Act, Parliament is subject to this act.

In a press release dated March 22, the Board of Internal Economy indicated this decision would result in savings of $4.8 million a year. This estimate is grossly exaggerated because, according to the experts I have consulted, fiscal year 1994-95, a post-election year, was a record year in terms of the translation of minutes of proceedings of committees, the annual average having been exceeded by six million words. This is understandable. During an election year, the House does not sit; therefore, there is no translation and no heavy burden on the services.

If cuts are indeed necessary — and I am convinced that they are — must they necessarily be made at the expense of this country's linguistic duality, one of our intrinsic strengths? Institutional bilingualism is what permits all of us to communicate with each other, without necessarily being bilingual. This is what unites us and brings us together.

Honourable senators, rather than jeopardizing national unity, I think that the whole point of transcribing our debates is that historians, journalists, and people interested in the *Debates of the House of Commons* and the work of its committees should be able to obtain an accurate report of what was discussed in the committees.

That is not exactly what will happen. This annoys, irritates and worries me! I will tell you why.

We can expect a good interpreter, at the best of times, to be accurate and reliable approximately 70 per cent of the time. Hence, 30 per cent is lost in the interpretation!

When they are dealing with senators or members of Parliament, who speak quickly, who do not always articulate as they should, who sometimes use technical terms, who may not have had the time to organize their thoughts in a logical manner and who may be rambling on a bit, interpreters can only transmit 60 per cent of what was said.

This would mean that the transcripts in the years to come would not be accurate or reliable. These documents would be neither reliable nor exact renderings of what senators or members of Parliament have said.

I am still referring to the four committees for which we share responsibility with the House of Commons, the joint committees. The House of Commons has already made a decision regarding the other ones — I hope that this House will not make such an unfortunate decision! Should such a decision be onsidered, it would have to be debated. For the moment, it has not come to that.

We have a problem with the four joint committees. I would like this house to take a position on the issue and to mandate a committee to examine the appropriateness of translating and revising the texts from our committees and of using the traditional cost-sharing ratio of 70-30 for some committees and 50-50 for others.

My question is this: What message is the House of Commons' new policy sending to the provinces of Canada, which are already not keen on official languages? How can we hope to protect and promote the country's two official languages when we ourselves are sending out mixed messages? How can we impose on all federal agencies and institutions laws which the Senate and the House of Commons do not even respect?

We require that agencies translate documents, but now, here in the Senate and in the House of Commons, we are saying that we are going to get around this obligation placed on us by the Official Languages Act, which was adopted by Parliament in 1988.

Honourable senators, I asked the question: Why continue to translate a ton of documents, which will gather dust sitting on the shelves of the Department of National Defence, for example? They are technical documents and cost millions of dollars to translate. All we are going to save in the Parliament of Canada with this policy is $1 million and not $4.8 million.

The $3.8 million are for translation services, paid for by Public Works, will save money because no more contracts will be given out.

Honourable senators, I am raising the question. I think we must give serious thought to the appropriateness of following the route taken by the House of Commons. I would like this house to decide fairly definitely and directly that we will continue to do what we have always done, which is to give Canadians an exact translation of the debates in this institution.

Here is an extract from a letter sent to the Speaker of the House of Commons by the president of the Ordre des traducteurs et interprètes agréés du Québec:

> Simultaneous translation meets the need for immediate communication. Unlike translators, who usually have longer to translate, research and revise their texts, interpreters must process information on the spot, as they receive it and without reference material. They can neither request details nor backtrack. Their first translation is always their final one. While, orally, the translation of a professional interpreter, with all the expression and intonation he or she can muster, serves communications needs well, the

transcription of it is a whole other matter. It may well lack details and contain omissions, thus failing to convey the spirit of the message.

Honourable senators, I warn you and guarantee you that, both here and in the other place, points of order will be raised regarding the interpretation given in committees as to what a member or a senator allegedly said. We will have to deal with a whole host of things we never had to deal with in the past.

I submit to you that we could avoid it all by adapting our own organizations. I contend, in all honesty, that if we want to save money, if that is the objective, we must look at the question honestly.

We have organizations we should perhaps look at here and in the other place. There is overlap, duplication and unnecessary expenditures. We have two transportation systems, two sets of clerks, two security systems. We have terrible duplication.

If we really want to start telling Canadians we intend to save money, I think we should take a good look at our own administration.

I can give you some examples. I have been here only four months, but I am still amazed at how we duplicate services we have in common, such as procurement. Purchases are made by the House of Commons and the Senate. No consultation!

As far as daily communications are concerned, certain procedures here in the Senate duplicate what is being done in the House of Commons. We could make a whole list of activities to be examined very carefully so we can eliminate what can be eliminated. Instead of coming down hard on official languages, perhaps we could improve management to make it more effective and efficient.

Honourable senators, I do not want to take up too much of the Senate's time, but in concluding, I would like to say that we must not go along with the theory that the interpretation is satisfactory. I know people will argue that the interpretation is what a unilingual person hears when he or she has to vote on a matter. In the end, what a senator or a member of the House of Commons does is vote on matters of national importance.

I have been told that if it is enough for a senator or a member of the House of Commons to hear the interpretation in order to vote on a matter, we should consider that in committee the interpretation may be adequate for the purposes of understanding the evidence.

This is such a lousy argument that I do not want to waste too much time refuting it, but I just want to say one thing. If this argument stands, then we should also be able to argue that everything that preceded the vote is predicated on this not very precise, not very reliable "maybe."

I know that is not true. I know that both senators and members of the House of Commons realize that. Before they decide which way they vote, the whips are there to provide information to those who need it more than others. The House leaders are also there to advise their caucus on the subject and scope of a particular vote before the House.

That is the only argument I have heard which, according to the experts, might persuade this house to make a decision similar to the one made by the House of Commons. Honourable senators, I submit that this argument is flawed and that we should stand tall, and tell the House of Commons: "We will not go through with this; we will not take action that is so retrograde; and we will continue to publish and translate the testimony we hear in committee, for as long as this will be necessary."

I think it is penny wise and pound foolish to tell Canadians that we are actually saving money. Just imagine, we saved a million dollars, when I know perfectly well that we could save one, two, three or four million dollars by streamlining our services in the House of Commons and the Senate to make them more effective and more efficient.

Honourable senators, I have one last comment. If the Senate agrees, I would like to see this question debated. I understand that we, in this place, need motions in order to take any kind of action.

I would move a motion to refer this question to committee. I do not know how to do this because I am new to the Senate, but I will try to see how this works.

**Hon. Eymard G. Corbin:** You cannot proceed like this, Senator Gauthier. You need a notice of motion.

**Senator Gauthier:** I know we have to give notice of a motion, but it is possible to do things differently, with leave of the Senate. In that case, I intend to move, notwithstanding rule 58, later on if necessary, the following motion:

> That the Standing Committee on Privileges, Standing Rules and Orders consider and report on:
>
> (i) the effects on the Standing Joint Committee(s) of the decision by the Board of Internal Economy of the House of Commons concerning the editing, translation and printing of Committees Issues; and
>
> (ii) the need for the Board of Internal Economy of the House of Commons to consult the Senate before making decisions on matters that concern both Houses of Parliament.

**Senator Corbin:** Honourable senators, if you please, I would like to ask Senator Gauthier a question. I will have to get used to using his title; after all, he is a former colleague of mine from the House of Commons!

He alluded several times to the overlap between the administration of the two Houses. He did not specify where the overlap occurred. Would the honourable senator give us pertinent examples?

**Senator Gauthier:** Honourable senators, I will begin by thanking my colleague, Senator Corbin. There are many examples, and I will begin with the clerks. There are two different sets of clerks, one for the Senate and one for the House of Commons. A clerk is a clerk, as far as I am concerned!

**Senator Corbin:** Are you talking about a Clerk of Committee?

**Senator Gauthier:** Yes, Senator Corbin. A Clerk of Committee is a Clerk of Committee! The Rules of the House and of the Senate may differ slightly, but this is not a serious issue. One could become accustomed to it. They are well-paid, so they will adjust! We could rationalize and combine the two to make one Clerk for all of Parliament.

Now let is discuss transportation on Parliament Hill: There are buses for the Senate and buses for the House of Commons. We could create one bus system for all of Parliament.

With regard to security, if you want to go to the East Block, at 5:30 p.m., honourable senators, do not attempt to enter by the Senate door because it is locked! You have to take the East Block's south door, the one for the House of Commons.

If guests coming to see you — please let me use a bit of humour here — go to the House of Commons entrance, they are not allowed in and they must use the Senate entrance. Hence, even if they wanted to, your guests would not be able to sign in or to enter the East Block by the House of Commons door. They must go back outside, walk back to the other end of the East Block and go in the Senate door, which is locked by 5:30 p.m.

If your guest happens to be handicapped, there is an entrance with wheelchair access, and that is the entrance for the Senate. Security has to be called to open the door.

These are all working conditions I consider obsolete and hardly acceptable if we want to be efficient.

Take, for instance, the issue of purchasing. The procedure here is not the same as that for the House of Commons. Yet, we buy the same items: paper, pencils and everything else we need to run Parliament.

I know something about security procedures in this place, because I have been on Parliament Hill for 22 years. I believe that a joint security service for both Houses of Parliament would be far more effective and much easier to control at a time when we may be faced with some very difficult situations. A single security system would be sufficient and, I think, far more effective.

I could go on, if you like, but I think I said enough to give you some idea of what I have in mind.

On motion of Senator Beaudoin, debate adjourned.

## BUSINESS OF THE SENATE

**Hon. Eymard G. Corbin:** Honourable senators, there is a point I would like to clarify.

Senator Gauthier mentioned a motion. According to the *Rules of the Senate*, advance notice must be given that a motion will be tabled. Does His Honour consider that what Senator Gauthier has said can be considered notice as required by the rules?

**The Hon. the Speaker:** Unfortunately, I cannot accept this as notice because it came in the middle of a debate on an inquiry.

One of the senators would have to move that we revert to Orders of the Day under "Notices of Motions"; Senator Gauthier would then be able to table his notice of motion and the motion could be discussed two days later.

If anyone wishes to suggest this, this is, of course, a possibility.

## PRIVILEGES, STANDING RULES AND ORDERS

### NOTICE OF MOTION FOR COMMITTEE TO STUDY AND REPORT UPON DECISION OF HOUSE OF COMMONS TO CEASE PUBLICATION OF COMMITTEE PROCEEDINGS

Leave having been given to revert to Notices of Motion:

**Hon. Jean-Robert Gauthier:** Honourable senators, I give notice that, on Wednesday next, April 10, 1995, I will move:

> That the Standing Committee on Privileges, Standing Rules and Orders examine, for report purposes:
>
> (i) the consequences on the joint committees of the decision by the Board of Internal Economy of the House of Commons regarding the revision, translation and publishing of committee issues, and
>
> (ii) the need for the Senate to be consulted by the Board of Internal Economy of the House of Commons, prior to its decisions, on matters relating to the two Houses of Parliament.

The Senate adjourned until Tuesday, May 9, 1995, at 2:00 p.m.

# THE SENATE

**Tuesday, May 9, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### THE LATE HONOURABLE JOHN BLACK AIRD, Q.C.

TRIBUTES

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I rise today in sadness to pay tribute to a former senator and Lieutenant Governor of Ontario, John Black Aird, who passed away Saturday, just one day after his 72nd birthday.

The list of John Aird's achievements is long and distinguished, but many senators here would remember him as a Liberal senator from Ontario, a fine colleague, and a good friend who was appointed to this place back in 1964 and resigned 10 years later to become Chairman of the Institute for Research on Public Policy.

In his first speech in this place, John Aird said with great humility that he would do his best to justify his appointment and dedicate himself to the full and proper discharge of his duties in this chamber. He certainly did that in this house, as Chairman of the Standing Senate Committee on Foreign Affairs, as an active member of the Banking, Trade and Commerce Committee, and as chairman of the Canadian section of the Canada-U.S. Permanent Defence Board, which he carried on even after he had left this place.

When he resigned from this chamber in 1974, John Aird had certainly more than fulfilled his duty. He went on to carry out that same steadfast commitment to public service which he brought to all of the other positions he held throughout his lifetime.

His achievements stretch from serving as a lieutenant in the Royal Canadian Navy from 1942 to 1945 during the Second World War to serving as Ontario's Lieutenant Governor from 1980-85, with many other accomplishments in between and beyond.

A lawyer and a businessman, John Aird was former Chancellor of the University of Toronto and Chancellor Emeritus of Wilfrid Laurier University. He held six honourary degrees, numerous corporate directorships and founded the Lieutenant Governor's Games for Disabled Children.

As Lieutenant Governor of the Province of Ontario, he truly took that office to the people. During his tenure, his concern for physically challenged children was profound and he became a champion of their needs. He took up sign language so that he could communicate with deaf people. Some honourable senators may remember his personal and unprecedented appeal for a liver transplant for three-year-old Lindsay Eberhardt in 1985.

During the tributes given to John Black Aird upon his retirement from this place, it is interesting to note the comments from his friends not only on this side but also on the other side, particularly a fellow Torontonian, then Senator David Walker, who said:

> Senator Aird is a delightful person, and an unusual person to be in politics. He is shy and modest, two characteristics very seldom seen in political figures... He is conscientious... He works hard at whatever he does.

Former Senator Jacques Flynn said:

> His counsel is much sought after and his opinions enjoy the respect of everyone....a man of ideas and actions — one of the best, in fact.

Honourable senators, an old friend of his, Senator Perrault, referred to him on that occasion as a "modest man of many talents." That would be echoed by those who have known him over the years.

His contribution to public life was rich. We extend our condolences and our very best wishes to his wife Lucille and his family.

**Hon. Senators:** Hear, hear!

**Hon. Richard J. Doyle:** Honourable senators, one evening not long after I came to this place, I found myself seated for dinner at a table where the guests included a half dozen of the most accomplished and influential people in Canada. The best-looking one of the men — the one who looked most like my calculation of what a gentleman senator should look like — was John Black Aird. By then, of course, he was no longer a senator. He had given up the hectic pace of the Upper Chamber for the prestigious post of Chairman of the Institute for Research on Public Policy.

• (1410)

As we have already heard from the Leader of the Government in the Senate, John Black Aird was a veritable compendium of important responsibilities. To be a captain in the Queen's Navy would be accomplishment enough for your average overachiever, but add senior partner in a famous law firm, premier benefactor of the Canadian Institute for Advanced Research, Chancellor of the University of Toronto, Lieutenant Governor of the Province of Ontario — add all of those together and you begin to get the profile of John Aird. Peter Newman, the acknowledged authority on such matters, described him as the man who possessed more titles than almost any other Canadian.

It would be wrong to leave the impression of a man consumed with the "big ticket" items of a lifetime of service to private and public institutions. I knew him best for his capacity to become visibly excited and publicly enthused with the discovery of yet another way in which he could contribute to the health and happiness of disadvantaged kids in great need of a wise and willing friend in high places.

We are not surprised that he was a director of the Lester Pearson College of the Pacific, but who would have expected him to turn up as the Honorary Patron of the City of Toronto Children's Network?

For members of this chamber, John Black Aird is proof that there can be a useful life after the Senate. Like a multitude of Canadians who have reasons of their own, we are grateful.

**Hon. Senators:** Hear, hear!

**Hon. Richard J. Stanbury:** Honourable senators, I wish to associate myself with the well-deserved tributes by Senators Fairbairn and Doyle to the late John Black Aird.

His beloved wife and his closely knit family will be devastated by his loss. One of his most attractive attributes was that he was a family man, and he extended his compassion for his family to the disadvantaged children of the community.

John Aird was a Liberal "bagman" and suffered all the opprobrium afflicted by the media on him and many of his colleagues who have fulfilled that responsibility from time to time. John saw that role as a respectable civic duty and carried it out with unquestionable integrity, as he did the raising of funds for so many other worthy causes.

Mr. Aird was one of the pillars of the revitalization of the Liberal Party under Lester B. Pearson in the late 1950s and early 1960s. His 10 years in the Senate were an example of productive energy and superb service.

Much has been written in the last few days about the marvellous impact on the province of his stewardship as Lieutenant Governor of Ontario. My own observation is that it has not been at all overstated.

John Aird was a great lawyer, a great Liberal, a great senator, a great Lieutenant Governor, a great counsellor, family man and friend. I know, honourable senators, that we are all grateful that he lived, and deeply saddened by his death.

**Hon. Senators:** Hear, hear!

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, those of us who had the privilege of serving with John Black Aird will remember him as one of the most admired and respected members of this chamber.

As has already been documented by those who spoke before me, Senator Aird, after leaving this place, enjoyed a remarkable and varied career in public life and served two great Canadian universities as chancellor. He was a man of deep conviction. He was a man of uncompromising principles. As was indicated by Senator Stanbury, he was a devoted husband and father, a great family man. He led by example.

To me, personally, John Aird was always a source of advice and, indeed, of inspiration. Over the years, he raised millions of dollars, not just for his own political party but for many worthy causes. However, it was a small, perhaps insignificant, story which touched me very personally.

I go back to the year 1987, when I was chairing an international conference on human rights. John Aird's daughter Katie was very much involved with that work, acting as an executive assistant. She talked to her dad every night by telephone. One night, she told her father that Al Graham needed a new bicycle. In his usual quick, generous, magnanimous, very thoughtful way, John Aird responded "Well, he can have my old one," which he had driven on only one occasion. It is an old Raleigh. Any honourable senator who would like to ride around Ottawa may borrow it. I ride it generally very early in the morning, and sometimes late at night, or on weekends if I happen to be in Ottawa.

I raise that as being a human story about the very human qualities of our late friend as exhibited on all occasions.

I am sure all honourable senators join me in extending to his wife, Lucille, and members of his family, our condolences and our very sincere and deep sympathy.

**Hon. Senators:** Hear, hear!

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## ROUTINE PROCEEDINGS

### ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, May 10, 1995, at one thirty o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## SPECIAL ECONOMIC MEASURES (HAITI) REGULATIONS, 1993

REPORT REFERRED TO FOREIGN AFFAIRS COMMITTEE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*f*), I move:

> That the report on the operation of the Special Economic Measures (Haiti) Regulations, 1993 made by Orders in Council in 1993 and 1994, tabled in the Senate on May 4, 1995, be referred to the Standing Senate Committee on Foreign Affairs.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

• (1420)

## LOBBYISTS REGISTRATION ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-43, to amend the Lobbyists Registration Act and to make related amendments to other Acts.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on the Orders of the Day for second reading on Thursday, May 11, 1995.

# QUESTION PERIOD

## HEALTH

CANADA HEALTH ACT—PLAN TO AMEND—
GOVERNMENT POSITION

**Hon. Duncan J. Jessiman:** Honourable senators, my question is directed to the Leader of the Government in the Senate. Recently, the Prime Minister announced his government's goal to reduce health care expenditures in relation to GDP by 2 per cent to 3 per cent. He also said that he does not believe that Canadian standards for health care will fall, even though the provinces which deliver the services will receive less money.

Someone once called this kind of thinking "voodoo economics" — cut federal expenditures, cut federal influence, cut federal dialogue with the provinces and, in the process, send a clear signal to the provinces that the federal government intends to act unilaterally or not at all in regard to changes to the Canada Health Act.

When will the Prime Minister outline his government's plan to amend the Canada Health Act?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend Senator Jessiman knows that the Prime Minister has stated over and over again his commitment to preserve medicare in this country and to maintain the five principles set out in the Canada Health Act. He has been clear in his statements about protecting and maintaining the best health act in the world.

The Prime Minister's concern, that of provincial governments across the land and that of the Minister for Human Resources Development, is that the resources be used in the best possible manner to protect the fundamentals of the Canada Health Act and the services provided through it to Canadians. Also, he has initiated a longer-term study into health services and the health system of Canada through the Canada Health Forum which is currently in progress.

My honourable friend talked about the government or the Prime Minister working in isolation from the provinces. That is not the intention at all. The intention is to work closely with the provinces to maintain the best standards and the best services for Canadians.

**Senator Jessiman:** Honourable senators, is the answer that there is a plan to amend the Canada Health Act or that there is not a plan to amend the act?

**Senator Fairbairn:** Honourable senators, the answer is that the government has stated firmly that it is committed to working with the provinces and the territories to improve the efficiency and the effectiveness of our health system within the five principles of medicare as contained in the Canada Health Act.

[*Translation*]

## INTERGOVERNMENTAL AFFAIRS

CONSULTATIONS WITH PROVINCES ON
MATTERS CONCERNING FISCAL TRANSFERS

**Hon. Jean-Claude Rivest:** Honourable senators, my question is for the Leader of the Government in the Senate.

I would remind the minister that the conditions she is talking about in connection with health insurance, that the system must be public, universal and portable, were agreed upon by the Government of Canada and the provinces during the 1960s.

Secondly, the minister knows that, in Bill C-76, the government intends to impose principles and objectives — the actual words of Bill C-76 — not only in the area of health, but also in post-secondary education and income security programs — and ultimately, even theoretically, for other programs such as a day care network — which come under provincial jurisdiction.

I believe that the Minister of Finance gave an opening during debate in the House of Commons saying that he wanted to clarify the bill.

Is the aim of a good understanding of Canadian federalism not to be able to come to an agreement — negotiated freely between the Government of Canada and the provinces, with the parties coming to terms freely — so that the national objectives in these areas of provincial jurisdiction may be met, instead of having, as Bill C-76 provides, the federal government simply consult the provinces in areas under their jurisdiction and then ultimately decide unilaterally, if no agreement was reached, on the objectives in these areas of activity?

In other words, does the government intend, in these very important areas of activity, to follow the letter and the spirit of the Canadian Constitution, which provides that these areas come under provincial jurisdiction? Canada's provinces have no need of the opinion or the dictums of big brother federal government in deciding what is good for their people.

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend appeared to indicate at one point in his question that there was a view within the federal government of imposing principles and objectives on the provincial governments. My interpretation may be as a result of the translation.

The government has been clear that in the proposed transfers, which are a combination of tax and cash, the federal government will maintain the standards that are already in place within the Canada Health Act. It will protect the mobility standard under social assistance.

Anything else that is discussed between the provinces and the federal government would be to the end of working out an agreement which is mutually beneficial to the provinces and the federal government. There is no question of the federal government imposing on the provinces.

It has been clearly stated that the purpose of the negotiations and the discussions that will take place in this important area is to determine whether there are mutually beneficial objectives that can be achieved in the other areas.

As my honourable friend knows, in the area of education no guidelines or standards exist. The government's principle is to work through negotiation in those areas while protecting the five principles of health care and the mobility principle of social assistance.

[*Translation*]

**Senator Rivest:** I understand the government's intentions, as expressed by the minister. I would ask the minister to consult the text of this specific clause of Bill C-76, which states that the Canadian government would have the power, in areas other than health — in the other areas that I mentioned — to impose principles after consulting the provinces.

The minister tells us that this power would only be used if there was mutual consent, but that is not what the text of the bill, as it stands, says to the Canadian public. As you know, many concerns have been raised regarding this issue, not only in Quebec, but also in other parts of Canada.

• (1430)

[*English*]

**Senator Fairbairn:** I would be pleased to receive advice on the text of the bill. My understanding of the government's position is as I have stated and as has been stated repeatedly by the Prime Minister, as well as Mr. Axworthy and others.

## UNITED NATIONS

### NUCLEAR NON-PROLIFERATION TREATY— VOTE ON REAFFIRMATION—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** This coming Friday at the United Nations in New York, there will be a crucial vote on the reaffirmation of the Nuclear Non-proliferation Treaty. If this vote is rejected, it could lead to widespread, rampant abuse of nuclear power, abuse which could include development for violent purposes rather than the peaceful generation of energy.

Will the Leader of the Government in the Senate enlighten us as to what Canadian policy has been leading up to with respect to this vote? Have we been lobbying? What have we been doing to ensure the reaffirmation and reratification of this treaty?

In the event that the reaffirmation fails, what contingency plans or what mode of operation would the government foresee? What plans does the government have in the event of that development?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators should know that this government, as with the governments preceding it, has been in the forefront of activism on this important issue.

I should like to seek further details for my honourable friend concerning the background to the activity preceding this vote. I will attempt to have those details for him before the vote takes place.

**Senator Forrestall:** Honourable senators, by the time that information is relayed back here, the vote at the United Nations will be a fait accompli. I thought my question might have been interpreted as a gentle prod to whoever is responsible in New York to make sure that the vote does not fail.

**Senator Fairbairn:** My honourable friend's comments, which I will certainly pass on, can provide that prod. Our people in New York are working as hard and as diligently as they can.

## INTERNATIONAL TRADE

RELATIONS WITH EUROPEAN UNION—
IMPACT ON LOCAL INDUSTRIES—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, my question is to the Leader of the Government in the Senate. In view of recent actions that we have had to take as a nation in regard to the fishery, and now that we have a slight problem with respect to our relationship with France, how will the government react in dealing with our exports to Europe in the future? These exports are critical to the region that I represent. The countries within the European Union have been impacted by some of the actions that we have had to take and by some of the inadvertent statements that have been made.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the Prime Minister has made various comments during the last few days of his travelling in Europe. These travels by the Prime Minister have been important for Canada, for remembrance, and to represent our veterans in the V-E day ceremonies.

At the same time, these travels have provided an opportunity to meet with the leaders of a variety of countries in Europe, and as the Prime Minister stated yesterday in France, now is the time to look forward and not back. I believe he, and other leading spokespersons in Europe, will be looking beyond the events that have occurred in which Canada certainly took a vigorous and aggressive role, such as the fishing dispute. However, our links with Europe are strong. Our exporting channels to Europe are strong. It is the intention of this government to strengthen our European ties further so that opportunities will be given to the industries that my honourable friend has mentioned, as well as to the many other industries seeking markets in that area.

**Senator St. Germain:** Honourable senators, there is a resurgence of the issue dealing with the export of furs, which directly impacts a major portion of the northern region. Our pulp and paper industry has also been impacted. Will there be a program put in place to deal with these irritants that have developed? Is there a deliberate course of action planned, apart from simply stating that we will look to the future?

The recent parading of a stump through Great Britain had a definite impact on our pulp and paper industry in British Columbia. Millions of dollars were spent attempting to set the record straight in Europe that our forestry practices are above reproach, and that improvements can always be made in certain areas. However, when compared to the practices in the world in general, ours are above, or as good as, any standard that exists. These are my concerns.

Will an actual program be put in place to deal with the impacts that these incidents have had on our markets in Europe? I am not being critical; I am attempting to be constructive in asking this question because I am concerned about my region which relies so heavily on its exports.

**Senator Fairbairn:** I realize my honourable friend is trying to be constructive. We know the recent history of the pulp and paper industry, and of the fur issue in Europe. The difficulties for Canada are prompted from outside the government, from groups who share a certain point of view which they have paraded on a number of occasions through European countries.

I will check with my colleagues, and particularly the Minister for International Trade, to try for a more detailed response to my friend's specific question. However, I can assure him that, as far as the government is concerned, the aforementioned areas are extremely important in any trading strategy with that part of the world.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on April 5, 1995 by the Honourable Senator Ghitter regarding a report of the independent committee on Expo 2005, and to a question raised in the Senate on April 6, 1995 by the Honourable Senator Corbin regarding the closure of the Canada Council Art Bank.

I also have answers to several written questions: No. 79 asked by the Honourable Senator Forrestall, No. 83 by the Honourable Senator Tkachuk, No. 88 by the Honourable Senator Tkachuk, and No. 93 also by the Honourable Senator Tkachuk.

## CANADIAN HERITAGE

EXPO 2005—REPORT OF INDEPENDENT EVALUATORS—
DECISION BASED ON POLITICS OR MERIT—
GOVERNMENT POSITION

*(Response to question raised by Hon. Ron Ghitter on April 5, 1995)*

In response to Senator Ghitter's questions on Expo 2005 and the report of the independent committee, I wish to point out that the report became public on April 10.

I would like to reaffirm that the Government will make its decision in the near future in the spirit of fairness.

Hon. Michel Dupuy
Minister of Canadian Heritage

## CANADA COUNCIL

CLOSURE OF ART BANK—GOVERNMENT POSITION

*(Response to question raised by Hon. Eymard Corbin on April 6, 1995)*

The decision to close the Art Bank of the Canada Council was not imposed by the government. The Canada Council operates independently from the government. The decision was made by the Canada Council Board, after a strategic review of its operations and programs.

The Council's strategic plan states that priority will be given to programs which support creation, production and dissemination of the arts, with a particular emphasis on dissemination to greater numbers of Canadians across Canada. The plan also speaks of the Council's determination to reduce its administrative and program delivery costs by 50 per cent over the next three years, while ensuring that as much of its Parliamentary Appropriation as possible goes directly to the arts.

Viewed within these objectives, the Art Bank, although a unique and valuable program of support to the visual arts, was considered not to fit within the plan, for several reasons: its costs of operation — said to be $1.9 million net of costs (after deducting revenues from rentals) for a purchase program of some $750,000 constituting its direct support to artists; and its program of dissemination, largely limited to government office spaces. The Canada Council believes that there are more effective ways to support the visual and media arts, and they will be working closely with the museum, gallery and visual and media arts communities to develop appropriate programs of support.

The Council will establish a committee of senior professionals in the visual and media arts to make recommendations concerning the future of the Art Bank's collection of artwork. The Council is aware of the repercussions of its decision, and will try to ensure whatever the disposition adopted for the works at the Bank, it remain sensitive to the milieu and to the context of the contemporary art scene in Canada.

We will ensure that the Council is aware of the senator's views and we will pay close attention to the consultations process now under way.

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

SUPERINTENDENT OF BANKRUPTCY—RESPONSIBILITIES REGARDING NSC DIESEL POWER INC.

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 79 on the Order Paper—by Senator Forrestall.

TRANSPORT CANADA—DETAILS OF BUDGETARY SAVINGS UNDER 1995 BUDGET PLAN

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 83 on the Order Paper—by Senator Tkachuk.

DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE—DETAILS OF BUDGETARY SAVINGS UNDER 1995 BUDGET PLAN

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 88 on the Order Paper—by Senator Tkachuk.

REVENUE CANADA—DETAILS OF BUDGETARY SAVINGS UNDER 1995 BUDGET PLAN

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 93 on the Order Paper—by Senator Tkachuk.

• (1440)

REQUEST FOR ANSWERS

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, Question No. 6 in my name has been on the Order Paper since January 18, 1994. Question No. 22 has been on the Order Paper since February 22, 1994. Neither question is terribly complicated.

In the case of Question No. 22, it simply asks if the Department of National Defence's A-310 Airbus has been put up for sale. That does not sound terribly complicated. The second part of the question is whether there have been any offers forthcoming. That does not sound terribly complicated either. However, it has been a year and three months waiting for an answer.

I raised the matter of these long outstanding questions approximately two months ago. I thought there would be action then, but obviously they are busy with other things. I wonder if the deputy leader could take a look at those for me.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I appreciate the concern and, indeed, some of the frustration expressed by the Deputy Leader of the Opposition. Other honourable senators have been waiting for some time for answers as well, and I will endeavour to take it up with those responsible in a very expeditious and, I hope, effective way.

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# ORDERS OF THE DAY

## FIRST NATIONS GOVERNMENT BILL

ORDER STANDS

On the Order:

Second reading of Bill S-10, to provide for self-govenment by the first nations of Canada.—(*Honourable Senator Tkachuk*)

**Hon. Jean-Robert Gauthier:** Honourable senators, I have a point of order with respect to this item.

**The Hon. the Speaker:** I will listen to the honourable senator's point of order, but I should point out that the bill is not before us as yet. Second reading has not yet been moved. However, if it is a point of order, I will listen.

**Senator Gauthier:** Honourable senators, I have been looking at Bill S-10 since its first reading, and I have some procedural concerns as to the admissibility of the bill. I should like to delay my comments on this legislation until tomorrow, if possible, as I have some information coming to me which has not yet arrived. Tomorrow, if possible, I will bring forth the arguments that I believe are important concerning the royal recommendation that I think is required for such a bill. I ask permission of the Senate to have until tomorrow to prepare and put forth my arguments.

**Hon. David Tkachuk:** Honourable senators, I have no problem with that request. I thought that perhaps this issue may arise and I have prepared myself accordingly. We have to work together on this bill and this issue. If there is a point of order, I do not mind waiting until tomorrow. If there are issues that the honourable senator might want to share with me by tomorrow, I would be happy to share some of the research that I have been doing as well.

I do not know where we go from here.

**The Hon. the Speaker:** Honourable senators, the bill is not yet before us. Senator Tkachuk, the sponsor of the bill, has not yet moved second reading. If it is Senator Tkachuk's wish not to proceed today, the order will stand.

**Senator Tkachuk:** I have waited six sitting days; I can wait another day.

**Hon. Marcel Prud'homme:** Honourable senators, I am ready to speak on this debate today. I expected that someone would raise this problem, although I did not know that it would be my friend Senator Gauthier. If Senator Tkachuk is willing to wait until tomorrow, I cannot very well say that I am not willing to wait until then.

**Senator Gauthier:** Honourable senators, let me make it absolutely clear that I am not talking about the substantive part of this bill. At no time am I questioning the value of the bill. I support self-government for first nations.

Perhaps I am naive. I am new to this place. I wish to know whether this bill should be accompanied by a royal recommendation as a result of the expenditures involved therein. I raised the matter because I understand that had we started second reading it would probably be too late. I wish to inform this house that I have strong reservations, and I want to discuss my reservations as to the admissibility of the bill at second reading with the Chair. That is why I raised my point of order before the sponsor could move second reading.

**Hon. William M. Kelly:** I suggest that all sides of this argument quit while they are ahead. I think the matter is pretty well settled now.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** In any event, the matter stands.

**The Hon. the Speaker:** It stands.

Honourable senators, to be clear: I do not think a point of order can be raised on a matter that is not yet before the Senate. The bill is not before the Senate. Until such time as Senator Tkachuk moves second reading, it is only on the Order Paper. It is not really before the Senate.

**Senator Berntson:** Thanks for tipping your hand.

**The Hon. the Speaker:** Tomorrow, if Senator Tkachuk moves second reading, points of order may be raised at that point. I gather we will have an interesting debate. The matter stands for now.

Order stands.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

### TWENTY-THIRD REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the twenty-third report of the Standing Committee on Internal Economy, Budgets and Administration (budget of Standing Senate Committee on Energy, the Environment and Natural Resources for special study), presented in the Senate on May 4, 1995.

**Hon. Earl A. Hastings:** Honourable senators, the report we have before us is from the Standing Senate Committee on Energy, the Environment and Natural Resources. It covers an expenditure of $60,000 to complete a study that committee had commenced the previous fiscal year. The committee recommends the approval of their budget.

Therefore, I move the adoption of the report.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

• (1450)

### TWENTY-FOURTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the twenty-fourth report of the Standing Committee on Internal Economy, Budgets and Administration (Budget — study on the future of agriculture in Canada), presented in the Senate on May 4, 1995.

**Hon. Earl A. Hastings:** Honourable senators, I move the adoption of the report.

As in the previous report, this one covers a budget expenditure of approximately $11,000 for the Standing Senate Committee on Agriculture and Forestry to complete a study commenced in the previous fiscal year.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

TWENTY-FIFTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the twenty-fifth report of the Standing Committee on Internal Economy, Budgets and Administration (Budgets of Committees), presented in the Senate on May 4, 1995.

**Hon. Earl A. Hastings:** Honourable senators, I move the adoption of the report.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

## REVIEWING CANADA'S FOREIGN POLICY

REPORT OF THE STANDING COMMITTEE ON INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION CONCERNING MOTION TO PRINT VOLUME I OF SPECIAL JOINT COMMITTEE ADOPTED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Hastings, seconded by the Honourable Senator Stanbury, for the adoption of the twenty-second report of the Standing Committee on Internal Economy, Budgets and Administration (reprint of Volume I of the Report of the Special Joint Committee Reviewing Canada's Foreign Policy), presented in the Senate on March 30, 1995.—(*Honourable Senator Doody*)

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, in reading the transcript of the meeting of the Internal Economy which discussed this issue on March 30, I was struck by the fact that some of the concerns which were brought up here as we debated the motion were also shared by certain members of the committee.

I will not go into all of them, but I should like to ask the chairman of the committee whether he has been in touch with anyone in the House of Commons who could give him the answer on whether the House is willing to share the costs of a reprint of part of a report which, as everyone knows, is the result of a study of a joint committee.

The argument is that since this expenditure was originally a commitment of a joint committee, any additional costs, for whatever reason, should be shared in the same proportion as was originally set out.

My question to the Chairman of the Internal Economy Committee is: Has the House of Commons been made aware of the request of Senator MacEachen? If so, is it willing to share in the costs of the reprint?

**Hon. Earl A. Hastings:** Honourable senators, by way of response to the Honourable Leader of the Opposition, it would be presumptuous of me to contact the Board of Internal Economy in the other House prior to the approval of this report by the Senate. I do not wish to proceed until the wishes of the Senate are made known. If and when the report is adopted, then we will proceed to canvass the views of the Board of Internal Economy concerning the possibility of them sharing in this initiative and undertaking a review of the best price available for the printing of the report.

The Leader of the Opposition will note that the report says "up to so much money." It does not specify the amount of money. It would have been presumptuous of me to take any action until the wishes of the Senate are made known.

**Hon. Consiglio Di Nino:** Honourable senators, let me see if I can add to the confusion. It is my understanding that our colleagues in the other place have rejected any appropriation for the costs of reprinting the report.

During our deliberations in the committee, I suggested that we approve our proportionate share of the expenses. I stand to be corrected, but I believe we were informed that the other place has rejected the appropriation of funds.

Honourable senators, this is not an issue of muzzling one of our colleagues. On the contrary, he should be congratulated as someone who is prepared to put forth an effort to promote and distribute the good work of the Senate. However, the issue concerns sending the right message to Canadians, especially during these difficult economic times.

We are being asked to approve 100 per cent of the costs required to reprint this report, while colleagues in the other place have rejected such a request. We should be concerned about spending public funds at any time, but, in these times, I am concerned about the message we would be sending to the public; namely, that the Senate has more money than the other place and that perhaps it cares less about how it spends funds.

I am prepared to move an amendment to the effect that we approve the expenditure based on the original proportions — I believe it was 30-70 — on the condition that the House approves its proportion as well.

[*Translation*]

**Senator Jean-Robert Gauthier:** Honourable senators, is there an amendment before the house?

[*English*]

**Senator Di Nino:** I do not want to cause a lengthy debate. I would be prepared to introduce such an amendment, if that is the wish of my colleagues. If it deals with the subject, I will move the amendment.

**Senator Gauthier:** Honourable senators, concerning that point, can a senator move an amendment to a committee report? If so, what are the rules that prevail?

I believe that a committee report belongs to the committee. You can accept it, refuse it, or return it to the committee and say, "We are not satisfied. Do something with it." I do not think we can amend a committee report in this house, but I may be wrong.

**Senator Di Nino:** I will need to seek direction on that question. I am not sure what the answer is.

**The Hon. the Speaker:** Honourable senators, I understand that there are precedents where committee reports have been amended in the past in the Senate.

**Senator Gauthier:** What are the precedents, Your Honour?

**The Hon. the Speaker:** I do not have the precedents at hand, however, we can obtain them quickly.

**Senator Lynch-Staunton:** If we cannot amend them, we can certainly reject them.

**Hon. Eymard G. Corbin:** Honourable senators, if I could "borrow" your ears for a moment, it is my impression that this debate, as every hour, day and week goes by, is becoming less and less pertinent. There was a study. There was a report. There was a request for a reprinting of the report. The clock is ticking. At the rate we are proceeding, by the time we agree to proceed with the request, the report will probably be dépassé.

We all agree that the report is important. We feel that the public is entitled — that is, as many of them as are interested in reading the report — to a copy of it. The time for a decision has come. Personally I should like to have the question put so that we can proceed with this matter while there is still interest in it and then move on to other matters.

**Hon. Colin Kenny:** Honourable senators, if there still existed a joint committee, and if Senator MacEachen were requesting this in his capacity as co-chairman of the joint committee, then there would be a lot of logic in returning to the other place and saying, "You pay your share." However, Senator MacEachen is not chairman of the joint committee and there is no joint committee in existence.

What we have here is one of our colleagues asking for permission to reprint a report that he finds valuable in his work. We should consider it in that context. We get drawn off the point when we start talking about shared costs with a committee because that committee does not exist.

We are looking at a question of facilitating one of our colleagues in distributing some material that is useful for his work. I would urge you to consider the matter in that context.

**Senator Lynch-Staunton:** Honourable senators, that is probably the worst circumstance in which to consider this matter. In effect, Senator Kenny is suggesting that any time a senator finds a document useful to his work, he can come before the Senate for special credits to have that work reproduced outside of his own discretionary budget.

**Hon. L. Norbert Thériault:** Honourable senators, why not, if that is what the Senate decides?

**Senator Kenny:** Think about it for a minute.

**Senator Lynch-Staunton:** It is clear in my mind: One senator feels that part of a certain report is valuable to his personal work and, therefore, the Senate should grant him copies for distribution of that report at his own discretion. I find that proposal to be way beyond the guidelines of the Internal Economy Committee. There are facilities in this chamber for reproducing papers which are already available. The reproduction may not be a $15 copy, with four colour reproductions, glossy print and bond paper, but I cannot believe that we would go beyond the guidelines set forth by the Internal Economy Committee and create a precedent where anyone can come before this chamber and say, "I need to copy a certain publication, "X" number of copies, to help me in my work. Grant me the credits." Were does this appear in our budget? Perhaps there is an item in the budget for such requests. If so, we should all know about it so we can take advantage of it.

**Senator Kenny:** Honourable senators, with respect, the Internal Economy Committee's report has recommended just that. The Internal Economy Committee is controlled by the honourable senator's side, and they have recommended this expenditure. It fits in with what the Internal Economy Committee is suggesting and it makes perfectly good sense.

**Hon. Peter A. Stollery:** Honourable senators, I wish to add to Senator Kenny's point that this issue is of importance not only to one of our colleagues but also to Canadian citizens. An important report on foreign policy will not be distributed to Canadian citizens because of the opposition.

• (1500)

Those in opposition would say, "Even though we have sent a committee across this country, for many months and at great expense, to investigate the future direction of Canadian foreign policy, and even though interest in the report has been such that no further copies are available, we should not make this report available to any other interested Canadian citizens. They seem to be saying that we should not further publicize this completed work. I find that to be a very irresponsible attitude. I have never heard the like during my 23 years in Parliament.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I share the view of Senator Stollery that this is really an item of national importance. If I recall correctly, an estimated $1 million of Canadian taxpayers' money was expended on this study. Now we are asking for up to $7,500 to provide Volume I, which is now out of print, to the Canadian taxpayers who are requesting it. I understand that copies of Volumes II and III are available.

Having spent that amount of money on a joint committee study on a subject as important as foreign affairs and having tabled a very important report, should we not consider very carefully any restriction that would demand shared costs from the other side? The committee is dead. We are attempting to act expeditiously and practically. We ask that all honourable senators use their common sense.

I attended the meeting of the Standing Committee on Internal Economy, Budgets and Administration when this matter was discussed. If I recall correctly, and I do not have the minutes in front of me, 12 honourable senators were present at that meeting. This issue was debated fully. All of the points raised at that time by the members in attendance were taken into consideration. The report was rendered on division.

After full discussion, only one honourable senator present at that time voted on division. Those who were present will recall that all other senators, including opposition members who were in the majority at that meeting, voted in favour of the motion.

**Senator Lynch-Staunton:** Honourable senators, let us not belabour this point. However, if this is such a question of national importance, how is it that the elected representatives of the House of Commons felt so indifferent to it as to turn down our request for a relatively few dollars compared to the total cost of the report and, in doing so, showed a lack of respect for the integrity and the importance of the work done by that joint committee?

In any event, I have a final question for the chairman of Internal Economy: During the debate, Senator Kenny questioned the cost of $15 per copy, on the assumption that all $7,500 would be spent, and asked whether this could not be printed more cheaply? The director of financial services, Mrs. Aghajanian, replied that she did not know how big the document was and suggested that perhaps some savings could be had by printing in-house. Has Mrs. Aghajanian or the committee discovered whether we can have the same product printed in-house at a much cheaper cost than suggested in the motion? Could we also identify the printing of this document as falling within the guidelines of the Internal Economy Committee?

**Senator Hastings:** Honourable senators, our options are open. We may print in-house. We may have the document printed by the Canada Communications Group, the successor to the Queen's Printer. A third option would be to canvass for two or three external quotations. We have done nothing on this matter as yet; we are awaiting your decision. If it is positive, we will proceed with the cheapest method possible.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Di Nino, seconded by the Honourable Senator Lynch-Staunton:

> That the report be not now adopted but that it be amended by adding the following words at the end of the second paragraph, after the figure "$7,500":
>
> ...provided that the costs of reprinting the report are shared on a 30-70 per cent basis with the House of Commons.

Honourable senators, a point of order has been raised. Do you wish me to deal with the point of order at this point?

**Some Hon. Senators:** Yes.

**The Hon. the Speaker:** The point of order was raised by Senator Gauthier. He is correct insofar as Beauchesne is concerned. As you know, Beauchesne basically deals with the House of Commons practice.

*Beauchesne's Parliamentary Rules and Forms*, Sixth Edition, citation 889(4) at page 244 states:

> A report from a committee may not be amended in a substantive matter by the House; it must be referred back to the committee.

However, I refer honourable senators to the *Rules of the Senate*, page 56, rule 49(1):

> When a question is under debate, a motion shall not be received unless it is a motion to amend the question, to refer the question to a committee...

We have a matter under debate. Under the rule, we can receive a motion to amend the question.

I also refer honourable senators to the *Journals of the Senate* for September 30, 1988, page 3479:

> Pursuant to Order, the Senate proceeded to the consideration of the Sixteenth Report of the Standing Senate Committee on Foreign Affairs (Bill C-147, An Act to establish the International Centre for Human Rights and Democratic Development, with two amendments), presented in the Senate earlier this day.
>
> The Honourable Senator Stewart *(Antigonish-Guysborough)* moved, seconded by the Honourable Senator Turner, that the Report be adopted.

That is the stage we are at now, the adoption of the report.

> After debate,
>
> The Honourable Senator MacEachen, P.C., moved, seconded by the Honourable Senator Frith, that the Report be not now adopted but that it be amended as follows: ...

Then several lengthy amendments were set out. Debate ensued and the amendments were accepted. On this basis, we have a precedent in the Senate for this practice.

**Senator Hastings:** Honourable senators, speaking to the amendment proposed by our colleague Senator Di Nino, I point out that his amendment is the same as the argument he made before the committee during its discussions on the matter, and which was rejected by the committee. As was pointed out, only one member opposed the proposed report, that being the deputy chairman.

Honourable senators, during our discussions, we focused on the request of a colleague. In the discussion, we did not deal too much with an application from a joint committee because the joint committee no longer exists. We simply dealt with the request of a colleague who sought assistance to communicate his work and that of the Senate to his constituents. After spending more than $1 million on a study, it seemed very short-sighted not to provide our colleague with the ability to communicate his work and the work of the Senate to constituents.

• (1510)

Using the rubric of sharing printing costs, honourable senators, is tantamount to saying that we will not be printing this document. The senator would then be deprived of the ability to communicate with his constituents.

Honourable senators, we spend a great deal of money every year on senators' newsletters. We spend a great deal of money every year on telephone, telegraph and other means of communications. It might be that we should do a lot more communicating to the people. The message to be communicated to the people here is worthwhile. It is not a signal to the people that we are throwing money away.

It is in that light that we adopted the report that is before honourable senators. I believe it is a worthy objective and that the amendment should be rejected.

**Hon. Allan J. MacEachen:** Honourable senators, I feel I ought to put this particular question in context. It means more than a request for additional printing. In a sense, it is very much related to the broad political situation we face in Canada at the present time.

The Official Opposition in the House of Commons is dedicated to the breakup of Canada. That party participated actively in the work of the special joint committee. At the end of our sessions, members of the Bloc Québécois and the Reform Party indicated to the co-chairs their intention to put forth dissenting opinions. Of course, dissenting opinions are provided for in the Standing Orders.

However, as we were ready to go to print, we received from the Bloc Québécois, not dissenting opinions in the normal sense, but a separate, stand-alone report, which we viewed as the foreign policy of a new, independent Quebec. I suggest honourable senators read it to decide for themselves whether it is a dissent from the main report or whether it is a stand-alone foreign policy for a new country with its capital in Quebec City.

Honourable senators, because committee members were away from Ottawa, the co-chairs thought that it would be inappropriate to include as part of the main report, which would be distributed not only throughout Canada but throughout the world, a stand-alone foreign policy for a new, independent country which is now part of Canada. We made the decision to produce the main report, which was adopted unanimously and supported by the three members of this house from the Conservative Party. They were the Honourable Senators Kelleher, Andreychuk and Comeau, each of whom participated in our discussions and whose suggestions and amendments, from time to time, were incorporated into the report. However, that main report was adopted by everyone.

Therefore, the decision was made to have the dissenting opinions separate from the main report. It was decided that if there was a desire to distribute a stand-alone foreign policy for a new, independent country, then it should be done not by the committee as a whole but by the dissenting group. That is what we did. We had Volume I, Volume II and Volume III. Volume III was made up of the particular studies we had commissioned.

In the House of Commons, the Bloc Québécois raised hell at this particular decision of the co-chairs, which we regarded as being fully within the rules because we had consulted widely with procedural authorities. It was at that point, in response to the objections of the Bloc Québécois, that the Speaker of the House of Commons said, "If this report is reprinted, it shall be reprinted in a different form and the dissenting opinion, the stand-alone foreign policy for a new country, will be part of the main report."

Honourable senators know the rest of the story. I raised a point of order in this place in which I asked, "How is it that the Speaker of the House of Commons can decide unilaterally the disposition of a report which is the joint product of two Houses?" There was a ruling from the Speaker in this regard.

As we were leaving the chamber, Senator Kelly said to me, "Why do we not do it ourselves? Why do we not have that main report printed by the Senate?" I acted upon that suggestion and consulted with Senator Kelleher, who was the member of the steering committee from the Conservative Party. He agreed. I thought that I had done all the necessary groundwork to put the motion before the Senate.

Honourable senators, this is not my work. This is the work of the special joint committee, including senators on the other side and Liberal Senators Gigantès, Perrault, myself and some others who came in from time to time, as well as many Canadians and many experts who spoke about foreign policy in their testimony. The report is non-partisan. It is unanimously adopted. Everything was adopted by the Conservative members from one end to the other.

We ran out of copies. I thought it would be a good idea to have additional copies for the future as requests come in from other countries and embassies who want to keep in touch with what is happening in Canada.

Given the political situation in the House of Commons, the matter is dead in that place. I think the Speaker then decided, subsequent to our point of order in the Senate, that this issue should go to the Board of Internal Economy. I am sure it will rest there in limbo for a long, long time. In view of the political situation in the House of Commons, I do not think there is a chance at all that a request to share will be received, unless it is agreed that the stand-alone foreign policy of a new country become part of the main report.

That is why I came to the Senate in response to Senator Kelly's suggestion and said, "Let us reprint the main report so that it will be available for Canadian citizens and others abroad interested in Canadian foreign policy." It is the work of us all.

I would very much regret it if we had to divide over this matter and send a message to the House of Commons asking for 70 per cent, when we know perfectly well, because of the political composition of that House, that such a request will get nowhere. That is the background on this issue.

This is Canada's foreign policy. I regard it as most important that this report be available, in as much as it was supported by every party in this house and in the other place.

• (1520)

**Hon. John B. Stewart:** Honourable senators, I have a comment to make with regard to Senator Di Nino's proposed motion in amendment.

His Honour the Speaker referred to a proceeding which took place on September 30, 1988. This reference requires some attention. If you look at the specific precedent which His Honour sought to apply in this case, you will see that it was not the text of a report which was amended, but rather the text of a bill that had been reported to which amendments were moved.

Honourable senators, I submit that, at some point, consideration ought to be given to that situation. It is one thing to follow in this house what the House of Commons does, namely move amendments at the report stage of a bill. That is what was happening here on September 30, 1988. It is another thing to take a substantive report such as the one being discussed here and rewrite it in this chamber.

I wanted to say this on the record because we might not want to look upon this as a precedent without at least considering its relevance.

**Senator Gauthier:** I would hate for us to be divided on this issue. However, it could be that we will all vote in favour. I hope we do, because that would be the sensible thing to do.

As Canadians, we have spent over $800,000 to complete this study. It is a good report. I would hope that all of the members of this house would support the spirit of this motion and that we will reprint the report.

Senator MacEachen's arguments are convincing: he has made it clear to us that a political situation exists in the other House that would make it difficult for Canada as a whole if that ruling were endorsed by the present opposition in this house. If that were to happen, I think it might be misunderstood. I would not want that to happen.

**Senator Thériault:** Honourable senators, I hope that Senator Di Nino withdraws his amendment. I have a feeling that the Senate wants to have those copies reprinted, and I beg the senator to withdraw his amendment.

**Senator Lynch-Staunton:** I can certainly go along with Senator Thériault in that request. The argument has been well made, and I hope that the Internal Economy Committee appreciates the concerns that have been raised on both sides.

We recognize the value of the report and that there is some advantage to only part of it being presented or to be distributed. I do not accept, though, that because the official opposition in the House of Commons is made up of people with whom we have violent disagreements, their views should not be disseminated through official channels. We must remember that they were elected overwhelmingly in the province of Quebec. They are duly elected representatives of Quebecers, and it would be injurious to those electors to be told that because their views are not compatible with those of the majority in the House of Commons, we will do all we can to stifle them.

We should not be afraid of views which are diametrically opposed to ours, which is why we are concerned with this motion. Some people evidently feel so strongly about the Bloc's views that they would distribute only that part of a report which was more compatible with the government's view and ours, and not include with it those parts with which they violently disagreed.

The point has been well made, and the economies we are attempting to achieve are shared by all. However, there are certain principles worth discussing here. If Senator Di Nino would agree not to put forward his amendment, I would certainly be agreeable to approving Senator MacEachen's motion.

**Senator Di Nino:** Honourable senators, the most difficult task for the Internal Economy Committee is to sit in judgment on our peers. That is never an easy task, but it is one that we take seriously, as I am sure all of my colleagues would agree.

In agreeing to this motion, we would be setting a precedent; a precedent which we might have to apply to future actions which might result in expenditures of funds which, in the opinion of some, might not be totally appropriate.

Honourable senators, we should congratulate our colleague who wishes to distribute this report further. This is a good and valuable report, and will probably increase the prestige of this country abroad among those, at least, who take the time to read it. I certainly would not wish that my comments or my amendments be taken in a way other than that which I have just described, namely that it was a question of principle and setting a precedent that I had concern about, but I think the point has been made. The issue has been well debated and, honourable senators, I withdraw my amendment.

**Some Hon. Senators:** Hear, hear!

**The Hon. the Speaker:** Is it agreed, honourable senators, that Senator Di Nino may withdraw his motion?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Given that a point of order was raised, we should establish clearly what the rule is for the future. The basic rule which we adhere to is our red book, the *Rules of the Senate of Canada*. The red book is clear at rule 48(1):

> When a question is under debate, a motion shall not be received unless it is a motion to amend the question...

That is the only rule we have in our red book that refers to the whole matter. Under this basic rule, indeed we can amend a motion.

Senator Stewart raised a point. He is an old parliamentarian, and he would not be debating a speaker's ruling, but he did raise a point.

In the future, so we are clear, I wish to point to another precedent from May 27, 1993. I will read directly from the *Journals of the Senate*, Page 2079:

> Resuming the debate on the motion of the Honourable Senator Lavoie-Roux, seconded by the Honourable Senator Spivak, for the adoption of the Thirty-fourth Report of the Standing Committee on Internal Economy, Budgets and Administration (supplementary budget—Standing Senate Committee on Banking, Trade and Commerce, Financial Institutions), presented in the Senate on 29th April, 1993.
>
> And on the motion in amendment by the Honourable Senator Kenny, seconded by the Honourable Senator Hastings, that the Report be not now adopted, but that it be amended by deleting the sum of $5,250.00 from Transportation and Communications and substituting therefor the sum of $1,000.00.
>
> After debate,
>
> The question being put on the motion in amendment, it was adopted.
>
> The question then being put on the main motion, as amended, it was adopted.

Therefore, there is a clear precedent of an amendment being made to the report of a committee. It has nothing to do with a bill. I simply point that out so that, in the future, we have clearly before us what our rules and precedents are in this house. We refer to Beauchesne when our own rules do not provide.

We are now back to the main motion by Senator Hastings, seconded by the Honourable Senator Corbin, that this report be adopted now. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and report adopted.

**Senator Hastings:** Honourable senators, before we proceed, may I take a moment to express my appreciation to the Honourable Leader of the Opposition and all of my colleagues. We shall take your advice carefully in the performance of our duties, and since you have expressed your concerns, those concerns will be taken into consideration.

[ The Hon. the Speaker ]

• (1530)

## THE BUDGET 1995

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Spivak, calling the attention of the Senate to the budget presented by the Minister of Finance on Monday, February 27, 1995.—(*Honourable Senator Stratton*).

**Hon. Terry Stratton:** Honourable senators, I rise today to take part in the inquiry on the budget which was tabled by the Finance Minister on February 27, 1995. My comments today will focus on three areas: Debt and deficit reduction; the fairness of the budget; and, finally, the cuts in transfer payments to the provinces and their possible impact on Canada's health care system.

It is my sense that Minister Martin's recent budget demonstrates that his government is committed to fighting the deficit in this country. However, I feel quite strongly that if he were totally committed to attacking Canada's growing deficit problem, the minister would have set out a long-term plan for deficit reduction that went beyond 1997. His failure to do so raised some concerns in my mind, and in others as well, many of whom have been in contact with my office.

The Canadian Institute of Chartered Accountants of Canada is one of the many groups of Canadians who have expressed their concern that the 1995 federal budget had no long-term plan for deficit reduction. The Liberal budget only goes so far as to set an interim deficit target of 3 per cent of GDP, or $25 billion, by 1997. The CICA issued a press release which stated their concerns, and I quote from that release:

> We are concerned that the government has failed to set firm targets for the reduction of the deficit after 1997. Achieving a $25 billion deficit in 1997...is not sufficient.... We need a long-term plan to bring government spending under control.

During a federal pre-budget round table, held in Manitoba on November 3, 1994, Mr. John Granelli, Chair of the Winnipeg Chamber of Commerce, expressed his view that tough action is needed to reduce the deficit. Mr. Granelli had the following to say at the hearing:

> ... we believe that there is a general acceptance now by the population that the national debt is a significant problem. Government should therefore provide leadership in fiscal responsibility....We believe Mr. Martin's target of an annual deficit of 3 per cent of gross domestic product is not aggressive enough....The time is now to seize the opportunity to reduce the deficit, eliminate annual borrowings when interest rates are low and the economy is in recovery.

In addition, a submission from the C.D. Howe Institute to the House of Commons Standing Committee on Finance made the following points:

> ...expenditure reductions should be sufficient to move Canada past the 3 per cent target to a balanced budget within the next two fiscal years, ensuring that the dynamics of debt reduction would replace the dynamics of debt compounding in advance of the next downturn in the economy.

Honourable senators, all of these groups called for stronger measures to be taken against the deficit. There is a definite feeling out there that during this period of economic growth in Canada, the federal government should be taking further measures to aggressively attack the deficit. The Finance Minister's target of cutting the deficit to 3 per cent of GDP is just not good enough.

The International Monetary Fund has also joined the chorus, stating that the federal government's plans to cut the deficit to 3 per cent of GDP by the 1996-97 fiscal year are not ambitious enough. At that level, they believe the debt-to-GDP ratio would still be very high. The IMF and many leading economists believe that the federal government should take advantage of our expanding Canadian economy and make deeper cuts.

Strong deficit reduction measures are needed if the federal government is to avoid the risk of having its plans thrown off target by another recession. The deficit must be brought under control and, if it is not, a potential financial crisis could surely be the result.

The lack of long-term fiscal planning for deficit reduction will continue to make the financial markets nervous. What Canada desperately needs is a clear plan for deficit reduction, one that goes beyond 1997. Surely this is something the Liberals can provide to Canadians. Rather than using political rhetoric in saying that there will be new targets to set, Mr. Martin should just get out there and set them.

Honourable senators, in case the other side has forgotten, when the Conservatives came to power in 1984, we inherited a real financial mess from the Liberals. We worked to clean it up and made substantial progress. In fact, it was the Tories who made fiscal responsibility a matter of law by passing the Spending Control Act which limits how much Ottawa may spend on most programs.

The PC government cut the growth rate of program spending from 13.8 per cent a year during the Trudeau years to 3.6 per cent during the PC mandate. As the economy was expanding at the time, the result was that program spending fell from 19.6 per cent of GDP in 1984 to 16.9 per cent in 1993. Furthermore, the growth of total government spending was cut from an annual average of 14.6 per cent under the Liberals to 4.2 per cent during the PC mandate.

Under the Tories, Canada's deficit fell from 8.6 per cent of GDP in 1984 to 5.9 per cent of GDP by 1993. Without the measures taken by the PC government, Canada's deficit would have been at least $80 billion in 1993.

Honourable senators, there was a significant decline in interest rates during the mandate of the Progressive Conservative government. One result is that the monthly payments on a $100,000 mortgage fell by $380. Over five years, that is enough to put a new car in a driveway. In addition, 1 million more homes were owner-occupied at the end of the PC mandate than at the beginning. Annual inflation fell to its lowest level in a quarter century under the PC government. Canada's economy grew by 23 per cent, after inflation, between 1984 and 1993.

The PC mandate saw a significant increase in exports, including a 72 per cent boost in the value of our exports with the United States. More than 1.6 million jobs were created in Canada between 1984 and 1993.

In addition to this strong economic record, the PC government said in 1993 that they would balance the budget within five years. How many years will it take before the current Liberal government balances the budget? Perhaps the Finance Minister would like to tell Canadians.

During our recent break, Canadians learned some bad news that affects us all. Moody's Investors Services Inc. of New York downgraded Canada's triple-A credit rating. Moody's cut the domestic currency rating to Double-A1 from Triple-A and the foreign currency debt to Double-A2 from Double-A1.

The long-term effect of Moody's downgrading will be an increase in the cost of borrowing for the Canadian government. The higher rates will add to federal debt payments, which are already the single largest expenditure, more than $40 billion annually. I read that a one-percentage-point increase in interest rates would cost the federal government an extra $1.7 billion a year in borrowing costs. I also read that Moody's decision to downgrade was based on the level of uncertainty in forecasting the medium and long-term fiscal position of the federal government.

Honourable senators, had the federal government presented a clear plan for deficit reduction in the February budget that included long-term goals, Moody's may not have reduced Canada's credit rating and Canadians would not be in the position they are today. Undoubtedly we will be faced with increased borrowing costs, borrowing costs which can be paid only by the taxpayer.

The Minister of Finance said, that the government is firmly committed to putting and keeping the debt-to-GDP ratio on a permanent downward track and that the government's "ultimate goal" is a balanced budget. I applaud the government for its efforts, but there is a real urgent need to go further. Where is the federal government's plan of action to achieve that ultimate goal of a balanced budget?

Our leader, the Honourable Jean Charest, said in the House on March 14, 1994:

> The objective of reducing the deficit to 3 per cent of GDP is not good enough. There should be a clear enunciated objective of balancing the books within a precise timeframe. Three years is a reasonable timeframe.

I support what Mr. Charest has said. I feel that Canadians have a right to know just when the budget will be balanced.

• (1540)

Honourable senators, while there are some things in this budget I support, there are some other things which will clearly have a negative effect on many Canadians, particularly on Western Canadian farmers. The budget eliminates the $560 million annual Crow benefit. This is a benefit that has kept the family farm in business. In return, they will receive a transition measure, a one-time $1.6 billion payment. However, this transition payment is for landowners only. That creates a problem: What about the 40 per cent of farmers who rent land and will not get a cent according to this budget measure? This is very unfair and the end result will be a reduction in farm income across the prairies.

Added to all of this is the fact that funding for the agricultural safety net programs will be cut by 30 per cent. This includes the Net Income Stabilization Account, Crop Insurance and the Gross Revenue Insurance Program. Furthermore, three of 11 agricultural research stations in Western Canada will close. Those affected are in Regina, Vegreville and Prince George.

Clearly, the Canadian farmers deserve better than what they are getting from the current Liberal government in Ottawa. The results of the recent provincial legislation in Manitoba — an almost unprecedented third term for a sitting premier — elected a majority Progressive Conservative government. This was made possible with strong support from rural Manitobans. This is a clear indicator that the federal Liberal budget did not go over too well with farmers in Manitoba.

Honourable senators, the budget is unfair to all Canadians, who will now have to pay $3.7 billion more in tax increases over the next three years, including the $500 million "tax grab" through gasoline for the federal purse.

The federal budget breaks many of the promises that the Liberal government made in the Red Book. It is clear to me that the Red Book of promises has been tossed out completely. How is this fair to Canadians? The Liberals have ignored their promise to talk to the provinces before changing the social safety net. They promised no unilateral cuts in transfer payments to the provinces. However, they have introduced billions of dollars in unilateral cuts in this budget and in the last one. The Liberal government's new approach to federal-provincial fiscal relations, coined the "Social Transfer," outlines a plan that will see funding to provinces and territories reduced. The Liberals claim this gives governments more flexibility — flexibility that may be wanted at the provincial level, but not at any cost.

Payments to the western provinces for health, education, and social assistance will be cut by $780 million in 1996. In Manitoba, the reduction is $107 million. These cuts are unfair for provincial governments which have been working hard to balance their books. Clearly, Finance Minister Paul Martin is unable to get his own house in order and is simply offloading his problems onto the province and inevitably onto the taxpayer. We must always remember that there is only one taxpayer.

I am deeply concerned about the effect of the estimated $7 billion decrease in federal transfer payments which support social programs. Just what will happen to medicare? During a recent two-day conference of provincial health ministers held in Vancouver, these issues figured prominently in the news headlines. *The Globe and Mail* reported on April 12 the following:

> 'The federal government's recent reductions in transfer payments for health care have created concern among Canadians,' the provincial ministers said. 'These cuts pose a threat to sustaining provincial and territorial health reform initiatives.'....The provinces said Ottawa is undermining medicare by pushing through 'unilateral' spending cuts with little thought to their impact.

During a recent interview on *Canada AM*, the Ontario Health Minister made a key point when she said:

> Unilateral actions by the federal government have put at risk the partnership...

She was referring to the partnership between the federal government and the provinces.

> ...unique to the health care system.

Honourable senators, this historic partnership must not be sacrificed. The unilateral action taken by the federal government is in my mind clearly unfair to the provinces and to Canadians. It is unfair for Canadians because the spending cuts could push us towards a two-tier health care system in Canada. Provinces and territories need to be consulted if universal health care is to survive in Canada.

Health care is a fundamental part of the fabric of the Canadian identity. The high standards of health care in this country have made us the envy of the world.

**The Hon. the Speaker:** Honourable Senator Stratton, unfortunately I have to advise you that your time is up.

What is the wish of the Senate? Shall we allow the honourable senator to continue?

**Hon. Senators:** Agreed.

**Senator Stratton:** To protect medicare, we must get our deficit under control. It is quite evident that higher national debts would threaten medicare's ability to survive.

Honourable senators, other promises in the Red Book have been broken as well. For example, the Liberals promised in the Red Book that:

> ...their government would be committed to stable multi-year financing for national cultural institutions such as the Canada Council and the CBC.

Instead, the budget reduced funding to the CBC, the National Film Board and Telefilm Canada. The Red Book promised that if the economy grew by more than 3 per cent last year — and it grew by 4.5 per cent last year — 50,000 child care spaces would be created the following year. The Liberals and the government are still silent on this issue.

With this budget, the Liberal government has broken many of the promises they made in the Red Book. What hope has the budget provided for the more than 1.4 million unemployed in Canada? This, all in less than two years with a Liberal government in Ottawa.

What can Canadians expect in the next few years of a Liberal administration? In the days following the budget, Paul Martin assured investors on Wall Street that pensions are the next to be tackled, and the Prime Minister said that medicare is too generous. Canadians should be very wary of this government.

Honourable senators, the federal government announced the closure or reduction of 12 defence facilities, of which five are in Western Canada, including Air Command Headquarters in Winnipeg. The role of Air Command is to provide combat-ready air forces to meet Canada's defence commitments, air search and rescue, and to support other government departments as mutually arranged. Air Command elements are organized into Fighter Group, Maritime Air Group, 10 Tactical Air Group and Air Transport Group. All of these were under the command of the headquarters in Winnipeg. Plans to consolidate a number of the groups above into a new group, the Air Combat and Mobility Group, were announced in last year's budget. Why could that not come to Winnipeg?

The changes to Canada's military operations announced in the 1995 budget included a reduction in defence spending of $2.8 billion over the next four years. It has been reported in the news that the total number of military personnel in Winnipeg will be reduced by about 1,000 and that this will leave around 2,200 military and 500 civilian positions in the Winnipeg area.

I am deeply concerned about the closure of the Air Command Headquarters in Winnipeg and the jobs that will be lost. The Air Command's shutdown represents the biggest single job loss of all the defence closures in the budget.

Honourable senators, the federal government did not hold any consultation or studies with employees and local citizens regarding the closure of Air Command as was promised in the Liberal Blueprint for Defence Conversion, which is a supplementary document to the Liberal's Red Book. This is yet another example of a broken promise by this government.

Honourable senators, in closing, the 1995 federal budget breaks many of the Red Book's promises, provides little hope for the unemployed in Canada, introduces tax increases, raises concerns about the future of health care, and fails to deal with the deficit in a tough manner. Surely Canadians deserve better from their government in Ottawa.

On motion of Senator Berntson, debate adjourned.

The Senate adjourned until Wednesday, May 10, 1995, at 1:30 p.m.

# THE SENATE

**Wednesday, May 10, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

[*Translation*]

## VISITORS IN GALLERY

**The Hon. the Speaker:** Honourable senators, before proceeding to Senators' Statements, I call your attention to the presence in our gallery of René Paquet, Chairman of Quebec 2002, the organization managing Quebec's bid for the 2002 Olympic Games.

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# SENATORS' STATEMENTS

## WINTER OLYMPICS 2002

### CANDIDACY OF QUEBEC CITY

**Hon. Roch Bolduc:** Honourable senators, I would like to bring to your attention the importance, for my region and for all of Canada, of a decision which will be made on June 16 in Budapest. It is the decision regarding which of the four cities in the running will host the Winter Olympics in the year 2002.

This project was begun in Quebec over 20 years ago. Since then, our city has hosted 75 international sporting competitions. Not only have our people been practising how to manage this kind of competition, but we already have almost all of the infrastructures required to host an event of this scope, which covers 64 sporting disciplines and requires 14 different sites.

The IOC requires 24 different written guarantees, mostly regarding project and construction financing, security measures, health care facilities, transportation, lodging, telecommunications and computer systems.

Quebec City met all of the requirements for its candidature to stay in the running and, in December 1992, it was selected as the one city that Canada would put forth as a candidate. I would like to thank all Canadians, especially people from the west and, in particular, from Calgary, whose collaboration in this project was magnificent.

Then, last January, the four finalists were chosen in Lausanne, and, by now, the 100 members of the International Olympic Committee have already paid their visits to each of the cities to evaluate them. We will know the results in one month.

I would like to point out that two successive Canadian and Quebec governments and the municipality of Quebec City have been very cooperative in this endeavour.

It will be an important event for the young people of the world who strive towards the olympic ideal. The performances of their role models will be broadcast to 1.5 billion people all over the world.

If we are chosen, it will be marvellous for Quebec and for all of Canada.

I thank the 700 volunteers who, under the direction of René Paquet, have devoted the past few years to this endeavour. We hope that their bid will be successful.

[*English*]

**Hon. Gerry St. Germain:** Honourable senators, as a Canadian, it is an honour and a privilege for me to rise today and support Quebec City's efforts to host the Winter Olympics in the year 2002.

As a British Columbian, I can speak from direct experience when I say what a positive impact events of this nature have on a city, a province and a country. Expo 86 established Vancouver, British Columbia, as an international destination. Vancouver was a beautiful city prior to Expo 86, but during that fair, it was "discovered" by the world. The numerous benefits that have resulted from that discovery are mind-boggling. B.C. Place, the former Expo site, has attracted sports, business and performing arts events. The economic benefits have been truly significant, both during the development stage and afterwards with the permanent jobs that were created as a direct result of the exposition.

It is in this spirit that I urge all Canadians to put their best efforts behind this very credible cause for Quebec City, one of the most beautiful cities in the entire world. Quebec City is steeped in the history of our nation and surrounded by communities that have played a part in the development of our great country. Quebec, as a province, has shown its commitment to excellence in providing the atmosphere to develop some of the greatest athletes in the world.

[*Translation*]

Canadians from coast to coast have felt the same pride at the extraordinary successes of our athletes — the Bédards, the Lamberts, the Brasseurs and the Brassards — to name but a few.

[*English*]

Therefore, honourable senators, for those who have achieved gold and for those who aspire to achieve gold and excellence, we owe our support for this worthwhile cause, this great effort by Quebec City. This effort cannot be isolated to any one region or province. This is a Canadian effort which should be supported by all Canadians. If Quebec City wins, we are all winners, so let us all go out and win for Quebec City.

[*Translation*]

**Hon. Fernand Roberge:** Honourable senators, I am very proud indeed to rise today to talk to you about Quebec City's application for the 2002 Winter Olympics.

As you no doubt know, the International Olympic Committee will make known its decision at a meeting in Budapest on June 16 — in a little over a month's time. With this fine city's designation in Lausanne in January as one of the four finalists, I am convinced that the hundreds of people involved to date will see their efforts rewarded and work even harder until the games are held.

In addition, I would point out the financial commitment the Mulroney government gave to this project. The Right Honourable Brian Mulroney guaranteed Quebec City federal funding in September 1992 if it became the Canadian applicant.

Through the work of the organizers and through careful planning, Quebec City met the three conditions set by the IOC. First, it proposed competition sites that met the requirements set by the seven international winter sports federations, all of which approved the sites required.

Second, it showed it was capable of funding the games. It did so through a credit arrangement made possible by a tripartite agreement involving the Government of Canada, the Government of Quebec and Quebec City, not to mention the 66 per cent contribution of private industry.

Finally, Quebec City obtained the people's support for its proposed application — at least 71 per cent of them. In this regard, I would also like to point out, as Senator Bolduc did earlier, the significant contribution made by the 700 or so volunteers working on the project, not to mention the public support already expressed by some 100 groups and organizations.

With the 2002 Winter Games being held in Quebec City, the entire international community will have an opportunity to admire not only the splendour of a Quebec winter, but the talents of major athletes from around the world including and especially those, unequalled in our hearts, of our own Canadian athletes. We will never forget the exploits of the likes of Isabelle Brasseur, Lloyd Eisler, Myriam Bédard, Susan Auch and many, many more.

I am also proud to thank publicly in this august house, on behalf of the people of Quebec and Canada as a whole, the Quebec City Organizing Committee for the 2002 Winter Olympics, and its chair, Mr. René Paquet. I would also like to offer all my encouragement to the young athletes who will reach new heights before our very eyes in Quebec City in 2002.

• (1340)

[*English*]

**Hon. Ron Ghitter:** Honourable senators, I, too, rise to express my congratulations and best wishes to Mr. Paquet and his committee in their endeavours to achieve the status of hosting the Winter Olympics in Quebec City. I do so as a Calgarian who was very much involved in the 1988 Winter Olympics which were held in our city. I know the excitement and the thrill the people of Quebec City are going through, as well as something of the challenges that they face as they progress toward that moment in time when all their years of work come to fruition and when, I hope, their city is selected as the location for the Winter Olympics. If that end is achieved, these people will bring incredible experience to their area, their region and our country.

The Winter Olympics are not only an occasion for sport; they are an occasion for culture and the arts. I had the opportunity to chair the arts festival aspect of the Winter Olympics in Calgary. Calgary will never be the same. Thousands of volunteers came forward to participate. Immense pride was created as a result of hosting such a wonderful world-class event.

A marvellous legacy was left to our area in terms of the funds set aside from the profits of the Winter Olympics, which were allocated to future athletic endeavours. We were left with incredible facilities which are being used by everyone in Calgary, Alberta.

In conclusion, I wish the delegation well and every success. I hope you get it. When you do, for a time you will be in the heart of the world, as everyone will come to Quebec City and know of Quebec City. It will be marvellous for Canada at large. Congratulations.

**Hon. Senators:** Hear, hear!

[*Translation*]

**Hon. Jean-Claude Rivest:** Honourable senators, I had the privilege of representing a riding in the Quebec City area in the Quebec National Assembly, and I am delighted to welcome here today the members of the Quebec City Organizing Committee for the 2002 Winter Olympics.

With my colleagues who spoke before, I want to wish Mr. Paquet and his many co-workers the best of luck, and I also want to say, in a more Canadian perspective — and I know that if Mr. Paquet were given the floor he would say this himself before this assembly — that the tremendous success of the Calgary games has been a major factor in maximizing the chances that Quebec City will be successful in its bid for the Winter Olympics.

I know that, throughout this process, people in the Quebec City area were able to rely on the very close cooperation they had with people in Calgary, who helped Quebec City prepare its bid for the Winter Olympics.

In concluding, I would like to say that like all Quebecers and all Canadians, we will be there in spirit, with Mr. Paquet and his co-workers, hoping that Quebec City, Quebec and Canada will again be able to host the Olympic Games and once more show the world the value of our culture and civilization, as well as the exceptional qualifications of the young people on Canada's Olympic Team.

Good luck, Mr. Paquet.

[*Later*]

[*English*]

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I wish to say at the outset that I was not aware that the Quebec City Olympic Committee would be visiting here today. Together with all honourable senators, I should like to welcome them most heartily, and wish them well in their endeavours. I cannot imagine a more beautiful part of Canada or a more fitting place in which to hold the Olympics.

Honourable senators, I recall the excitement and the pride generated by the Olympics in Calgary. Senator Ghitter has properly pointed out the wonderful facilities that are left behind as a legacy of an undertaking of that magnitude. I cannot imagine anything that could contribute more to national unity than to have the Olympics in a place as diversified and beautiful as Quebec City. I wish the organizing committee well in their undertakings.

## VICTORY IN EUROPE

### FIFTIETH ANNIVERSARY CELEBRATION CEREMONIES— ALLEGED REMARKS OF PRIME MINISTER

**Hon. Marjory LeBreton:** Honourable senators, I was born in 1940 and have vague childhood memories of the day the war ended. However, I have always been keenly aware of, and have sought to inform myself of, the considerable contribution made to the war effort by Canadians, both overseas and at home. As well, teachings in schools in the 1940s and 1950s were quite extensive. It is sad to say that this is not the case today.

Most of us knew, or were related to, someone who contributed to the war effort or, indeed, who made the ultimate sacrifice. These courageous Canadians fought for our freedom. They also fought to end the tyranny, the horror and the human suffering and degradation of so many innocent victims — men, women and children — who were incarcerated and exterminated for no other reason than their race and religion.

The 50th anniversary of V-E day reminds us all of the tremendous loss and suffering. Honourable senators can therefore imagine my shock and dismay when I read in *The Globe and Mail* of yesterday how the Prime Minister of Canada described these horrific and horrible times.

The story in *The Globe and Mail* by Paul Koring of the European Bureau states that Mr. Chrétien:

> ...described Hitler's dream of conquering all of Europe, exterminating the Jews and enslaving other non-Aryan populations as 'a system of political ideas that prevailed at the time, that were not good and we hope will not come back.'

To have the Prime Minister of Canada so lightly characterize the motives of the enemy in the Second World War as "a system of political ideas that were not good" should be cause for great concern to Canadians who should expect more from their Prime Minister. Frankly, I am embarrassed.

[*Translation*]

### HOMAGE TO RESISTANCE MOVEMENTS

**Hon. Marcel Prud'homme:** Honourable senators, since we have been celebrating the 50th anniversary of V-E day, I would like to draw your attention to the contribution and made by thousands of resistance fighters in Europe.

At ceremonies to commemorate the anniversary of D-day, it was said that resistance fighters had played a crucial role by limiting the number of Allied soldiers in the liberation forces at the end of World War II.

During the first two years of the war, resistance movements had been organized in countries that were invaded by Hitler's troops.

A refusal to submit to domination by foreign troops, memories of the Great War, rejection of the ideas and measures espoused by the Nazis, respect for the ideals of peace, freedom and equality were all reasons that led women and men, old and young, to risk their lives at the hands of the invaders.

I would like to recall the courage of one woman who was obliged to board Nazi officers in her home and meanwhile provided hiding places for Jewish refugees and Allied paratroopers — including Canadians — on their way to England. She decided to do this despite the risk to herself and her three children.

I also would like to recall the strong feelings that moved an elderly man, who had been an officer during World War I and who, when the Nazis started invading Belgium, wanted to enlist. When he was turned down because of his age, he joined the resistance, where he was active until his death in a Nazi concentration camp.

Finally, as we heard during an excellent program on CBC on Monday, May 8, I would like to recall those young men and women who decided to go to the Vercors region in France to organize a resistance group and were massacred by Hitler's troops.

I also want to pay tribute to those men who took a very active part in the resistance movements and during the post-war period led their countries towards reconciliation and a more open view of the world. I am thinking of Adenauer, de Gaulle, Gomulka and Tito, to name only a few.

We must not forget the millions of soldiers and resistance fighters who gave their lives to make the world a better place for us and our children.

• (1350)

[*English*]

## CANADA REMEMBERS

**Hon. Lowell Murray:** Honourable senators, I am prompted by some of the earlier interventions to say a word about the Canada Remembers program. It consisted of various events commemorating the end of World War II and, of course, Canada's part in it. I attended a few of the events, and I know several people who attended others.

From time to time, I have been in touch with the Department of Veterans Affairs for the purpose of obtaining material on this program. I simply wish to say that an absolutely suberb job was done by everyone, at every level, who was involved in organizing and carrying out this program, principally — though not exclusively — the people in the Department of Veterans Affairs. They are deserving of our heartiest thanks.

# ROUTINE PROCEEDINGS

## PRIVILEGES, STANDING RULES AND ORDERS

THIRD REPORT OF COMMITTEE PRESENTED

**Hon. Brenda M. Robertson,** Chairman of the Standing Senate Committee on Privileges, Standing Rules and Orders, presented the following report:

Wednesday, May 10, 1995

The Standing Committee on Privileges, Standing Rules and Orders has the honour to present its

THIRD REPORT

Your Committee notes that at the last emergency recall of the Senate in March of this year, certain senators experienced problems with regard to being informed that the Senate had been recalled.

Your Committee recommends that the *Rules of the Senate* be amended as follows:

That Rule 17(1) be deleted and substituted with the following:

17. (1) During any adjournment of the Senate, if the Speaker is satisfied that the public interest requires that the Senate meet at an earlier time than that provided in the motion for such adjournment, the Speaker may call such a meeting. In so doing the Speaker shall send a notice *by the most effective method of communication* to each Senator at the address last filed by the Senator with the Clerk of the Senate and to the Senator's office in Ottawa. Such notice shall indicate the time of the meeting of the Senate and the purpose.

Respectfully submitted,

BRENDA M. ROBERTSON
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Robertson, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## INTER-PARLIAMENTARY UNION

NINETY-THIRD CONFERENCE, MADRID, SPAIN— REPORT TABLED

**Hon. Peter Bosa:** Honourable senators, I have the honour to table, in both official languages, the report of the Ninety-third Inter-Parliamentary Union Conference held in Madrid, Spain, from March 27 to April 1, 1995.

## TRANSPORT AND COMMUNICATIONS

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION—PROPOSED ORDERS ON DIRECTIONS ON DIRECT-TO-HOME SATELLITE DISTRIBUTION UNDERTAKINGS—NOTICE OF MOTION TO AUTHORIZE ELECTRONIC COVERAGE OF COMMITTEE PROCEEDINGS

**Hon. Donald H. Oliver:** Honourable senators, I give notice that tomorrow, Thursday, May 11, 1995, I will move:

That the Standing Senate Committee on Transport and Communications be empowered to permit coverage by electronic media of its public meetings with respect to the examination of the proposed orders issuing directions to the CRTC on Direct-to-Home Satellite Distribution Undertakings with the least possible disruption of the hearings.

## INTER-PARLIAMENTARY UNION

NINETY-THIRD CONFERENCE, MADRID, SPAIN— NOTICE OF INQUIRY

**Hon. Peter Bosa:** Honourable senators, I give notice that on Tuesday, May 16, 1995, I will draw the attention of the Senate to the Ninety-Third Inter-Parliamentary Union Conference held in Madrid, Spain, from March 27 to April 1, 1995.

# QUESTION PERIOD

## THE SENATE

ABSENCE OF GOVERNMENT LEADER

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I would inform the Senate that the Honourable Senator Fairbairn, Leader of the Government in the Senate, is attending the funeral of our former colleague the late John Black Aird in Toronto this afternoon. Unfortunately, she is unable to be with us this afternoon, and senators opposite have been so informed.

I would be happy to take as notice any pressing questions. In any event, I should like to inform you that Senator Fairbairn will be in her usual place tomorrow afternoon.

## PRECINCTS OF PARLIAMENT

LOCKING OF EAST BLOCK DOORS—GOVERNMENT POSITION

**Hon. Peter A. Stollery:** Honourable senators, my question concerns the East Block and the fact that the doors are locked at 5:30 in the afternoon. When I try to exit after 5:30, the door is locked. I am sure that this poses a fire hazard. No municipality in Canada would allow the doors of a building which still has a lot of people in it to be locked.

I should like the Deputy Leader of the Government in the Senate to inquire as to how this question can be revisited before we experience an accident. Apart from the fact that it impedes senators who are working in their offices and conducting their parliamentary business, it also poses a serious safety hazard to the employees of the Senate.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I take this question very seriously. I was not aware of that situation. I recently vacated the East Block. Perhaps it was just in time. Obviously, I locked the door on my way out.

**An Hon. Senator:** Did you turn out the lights?

**Senator Graham:** No, I did not turn off the lights!

I will be happy to take this question as notice. This was probably done as an economic measure, perhaps an ill-considered one. If other honourable senators who occupy offices in the East Block have concerns, we should also hear from them. I will certainly bring this situation to the attention of the appropriate authorities.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a response to a couple of questions raised in the Senate on March 1, 1995 by the Honourable Senator Spivak regarding the elimination of the western grain transportation subsidy; a response to a question raised the Senate on April 6, 1995, by the Honourable Senator Kinsella regarding the abandonment of holdings on Partridge Island, New Brunswick; and a response to a question raised in the Senate on May 2, 1995 by the Honourable Senator Ghitter regarding the refusal by House of Commons committee to hear testimony of renowned firearms expert.

If I may add, honourable senators, I know there are outstanding questions both written and oral. Senator Oliver has just raised his hand. I pressed again on your question this morning, Senator Oliver. I am attempting to reorganize the situation with respect to expediting answers to both written and oral questions. I ask honourable senators to bear with me. We lit a few fires in a few places. It is to be hoped that the results will be fruitful and we will have some early responses.

## THE BUDGET 1995

ELIMINATION OF CROW RATE SUBSIDY—MAINTENANCE OF GRAIN ECONOMY IN MANITOBA—GOVERNMENT POSITION

*(Response to question raised by Hon. Mira Spivak on March 1, 1995)*

The western grain transportation reform package will help improve both the efficiency of the grain handling and transportation system and the competitiveness of Prairie agriculture while more effectively meeting our international obligations.

Regarding help to the sector for value-added processing, there are several initiatives in the package to help the sector ease into the new business environment. An *ex gratia* capital payment of $1.6 billion will be provided to Prairie farm land owners in recognition of the impact on land values that may result from the termination of the long-standing freight rate subsidies. The use of this payment is not directly tied to future marketing or production decisions. Landowners may use the funds to offset the increase in freight costs, to change crop mix, to change operations, to get out of agriculture altogether, or to create value-added processing.

In addition to the payment, there is a multi-year WGTA Adjustment Fund of $300 million, to become available beginning in the 1996-97 fiscal year, to help Prairie agriculture make the necessary transition to the new economic environment. One of the priorities for the Adjustment Fund is assistance for a transition period to producers affected by changes to the freight cost pooling system changes. The majority of these changes could be in Manitoba. Other uses of the Fund are to be developed in consultation with the industry. If it is the desire of the industry, some of these funds could be used, as the honourable member suggested, for assistance to development of value-added processing. The details have yet to be developed with the industry.

Furthermore, the changes create a more stable operating environment which could foster increased investment in the sector. For example, the canola industry has already indicated that significant investment in crushing plants will proceed now that the WGTA is reformed. Prairie grain companies have also stated that they could spend more than a billion dollars to upgrade Canada's grain handling system in the next 10 years.

With respect to the grain export economy, the government will provide new and additional export credit guarantees on up to $1 billion worth of sales to non-sovereign buyers around the world, in recognition of the ongoing importance of bulk grain and other agri-food exports and to help meet foreign competition.

ELIMINATION OF CROW RATE SUBSIDY—POSSIBILITY OF ASSISTANCE FROM WESTERN ECONOMIC DIVERSIFICATION—GOVERNMENT POSITION

*(Response to question raised by Hon. Mira Spivak on March 1, 1995)*

The Department of Western Economic Diversification (WD) has no direct responsibility for the issues in question. Cancellation of the western grain subsidy, and matters directly related thereto, fall within the purview of the Minister of Agriculture and Agri-Food.

With implementation of changes in the Western Grain Transportation Act (WGTA) and the National Transportation Act, WD supports the Churchill Task Force recommendation that there be public commitment to preservation of the transportation infrastructure and services of the Port of Churchill. A marketing agency to be entitled "Gateway North" is proposed to be established by government and private-sector stakeholders.

WD's contribution to economic diversification in western Canada is broad-based. To better serve small business, WD is now focusing on increasing access to capital leveraged from the private sector; developing targeted capital funds in cooperation with commercial lending institutions; developing strategic alliances with the provinces, industry and financial institutions; single-window service to business; community economic development; and representing western interests nationally.

As a key focus of this new direction, WD is working cooperatively with other departments, provincial governments and interested stakeholders to establish investment funds targeted at leveraging private sector capital for key economic growth sectors, such as agricultural biotechnology, environmental industries, tourism and agricultural value-added products.

The Community Futures Program has also been transferred from Human Resources Development to WD; this will open up a further network for diversification and support to small business in the rural regions of the West.

WD has also undertaken discussions with representatives of provincial governments and other federal government departments, such as Agriculture Canada and Human Resources Development, to achieve wherever possible the integration of services to business and to provide more efficient service via a single point of access.

## TRANSPORT

ABANDONMENT OF HOLDINGS ON PARTRIDGE ISLAND, NEW BRUNSWICK—GOVERNMENT POSITION

*(Response to question raised by Hon. Noël A. Kinsella on April 6, 1995)*

The Canadian Coast Guard owns the whole island. Following the automation of Partridge Island lighthouse in 1988, CCG declared most of the island as excess crown property and Public Works & Government Services Canada (PW&GSC) was requested to dispose of this property in 1991. CCG would retain only the lighthouse, the fog alarm building near the lighthouse, helipad, radio beacon tower site, right-of-ways and easements for access and power supply and dispose of surplus land, the three dwellings, the old fog alarm building, wharf facilities and other miscellaneous structures.

Real property no longer required for program purposes must be disposed of at market value according to the Federal Real Property Act, Regulations and Treasury Board Policy. Surplus federal real property must first be offered to other federal departments, Crown corporations, provincial governments, municipalities and finally to the public through a public tendering process.

No expression of interest was received from any federal government departments including Heritage Canada. The Province of New Brunswick confirmed on February 22, 1995 that they had no interest in acquiring this property. The Port of Saint John had originally expressed interest in the island but later withdrew their offer. The City of Saint John was approached as well but has not responded as of April 19.

The lightstation was established on Partridge Island in 1791. Other uses of the Island throughout history range from an immigration/quarantine station during the Irish immigration period, a military role during both World Wars and approximately 600 immigrant burial plots which are dispersed over the island.

Given the fact that Grosse Ile in the Province of Quebec, a site with similar characteristics, is being developed by Heritage Canada, the Canadian Coast Guard intends to contact Heritage Canada to determine if they would consider acquiring the surplus real property at Partridge Island.

## FIREARMS LEGISLATION

REFUSAL BY HOUSE OF COMMONS COMMITTEE TO HEAR TESTIMONY OF RENOWNED FIREARMS EXPERT—GOVERNMENT POSITION

*(Response to question raised by Hon. Ron Ghitter on May 2, 1995)*

Beauchesne, 6th edition, citation 760 (3) provides:

**Committees are and must remain masters of their own procedure.**

Citation 852 provides:

**Only the committee can make a decision as to which witnesses should be called.**

The criteria that was used by the House of Commons Standing Committee on Justice and Legal Affairs for selecting witnesses was a matter for the committee itself to determine and is not within the responsibilities of the government.

If Bill C-68 is approved by the House of Commons, one of the Senate's committees will have the responsibility of determining which witnesses should appear to present evidence on the legislation. That committee may wish to consider hearing from some of those who did not have an opportunity to make a presentation before the House of Commons Standing Committee on Justice and Legal Affairs.

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## VISITOR IN GALLERY

**The Hon. the Speaker:** Honourable senators, before I call the Orders of the Day, I wish to draw your attention to the Speaker's Gallery where we are honoured to have Dr. Alfred Sant, the Leader of the Opposition in the Parliament of Malta.

**Hon. Senators:** Hear, hear!

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# ORDERS OF THE DAY

## FIRST NATIONS GOVERNMENT BILL

SECOND READING—MOTION TO DEFER ADJOURNED TO AWAIT RULING OF SPEAKER

On the Order:

Second reading of Bill S-10, An Act providing for self-government by the first nations of Canada.—(*Honourable Senator Tkachuk*).

**Hon. David Tkachuk:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*e*), I move:

That the order for the second reading of Bill S-10, providing for self-government by the first nations of Canada, be postponed until the Standing Senate Committee on Aboriginal Peoples, to which is now referred the subject-matter of this bill, has presented its report on this order of reference to the Senate.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** It is moved by the Honourable Senator Tkachuk, seconded by the Honourable Senator Twinn, with leave of the Senate and notwithstanding rule 58(1)(*e*):

That the order for the second reading of Bill S-10, providing for self-government by the first nations of Canada, be postponed until the Standing Senate Committee on Aboriginal Peoples, to which is now referred the subject-matter of this bill, has presented its report on this order of reference to the Senate.

Is it your pleasure, honourable senators to adopt the motion?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a question of clarification on this matter. Senator Gauthier wishes to raise a point of order. Does the motion actually include a reference to the committee?

**The Hon. the Speaker:** I will read the motion again. It states:

That the order for the second reading of Bill S-10, An Act providing for self government by the first nations of Canada, be postponed until the Standing Senate Committee on Aboriginal Peoples, to which is now referred the subject-matter of this Bill, has presented its report on this order of reference to the Senate.

The motion is to refer the subject-matter of the bill to the Aboriginal Peoples Committee.

**Hon. Jean-Robert Gauthier:** Honourable senators, who was the speaker? I want to debate that motion. That motion was just put to us.

**The Hon. the Speaker:** It is certainly a debatable motion. I asked whether there was agreement, and no one rose. However, if it is the agreement of honourable senators to revert, the Senate can do so. Is it your pleasure, honourable senators, to revert?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Carried. Senator Gauthier, please continue.

**Senator Gauthier:** I apologize, Your Honour. I heard you say "Does the senator have leave?" I thought that was leave to introduce the motion. I must have been distracted.

I was aware that Senator Tkachuk wished to introduce his motion today. He told me yesterday that he intended to move a motion to have the subject-matter of the bill referred to committee and that he had no intention of debating this bill at second reading. That is an intelligent way of handling this bill at this time.

My training does not allow me to take the same kind of liberty that the Senate seems to have with this kind of bill. In the House — and I apologize again for referring to my past experience — when a motion is made to send the subject-matter of a bill to a committee, the bill is dropped from the Order Paper. I understand that the Senate has different rules and that we can leave the bill on the Order Paper at first reading while referring the subject-matter of that bill to a committee. That means that the house has two similar items before it. I do not know whether that is in keeping with the rules of order or whether it makes good sense, but that is the way the Senate operates, and I will accept that.

**Hon. L. Norbert Thériault:** You will get used to our procedures here.

**Senator Gauthier:** I want Your Honour to confirm that the bill still stands on the Order Paper at first reading. If it does still stand at first reading and if Your Honour's ruling is in the affirmative, then I would like to debate that question at first reading.

The impact of that bill requires a Royal Recommendation. I do not care if the bill is at first, second or third reading; it will have to be debated. I would have preferred that the whole subject be cleared up before the said matter went to the committee, rather than afterwards. If it needs a Royal Recommendation, then we will have lost a lot of time and will have put people to a lot of trouble and needless debate on the matter when this house could have had a prior, intelligent discussion to determine whether this bill should be appropriately endowed with a Royal Recommendation. If it does not need a Royal Recommendation, fine, but if it does need one, we would be well advised to include it.

**Hon. Eymard G. Corbin:** Honourable senators, that motion was totally unnecessary. The so-called subject-matter is a technicality that was invented some years ago to allow members in either house to debate the contents of a bill in advance — that is, the subject-matter.

Senator Gauthier is entirely correct that in the House of Commons the order is simply discharged. Nevertheless, the committee proceeds with consideration of the subject-matter. It is just common sense that if the subject-matter is now in the hands of the members of the Aboriginal Peoples Committee, this house should not revisit the issue until the committee has reported on that matter. It is as simple as that.

That is why today's procedure is not only unusual but also uncalled for and unnecessary, unless I am not aware of some tactics behind this move. If there are those types of intentions, then the house should be brought into the confidence of the honourable senator who made the motion.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, perhaps I can shed some light on the "tactics." As Senator Graham and I have discussed on several occasions, it became apparent that many members in both our caucuses were not really knowledgeable about what was happening with this bill.

Based on my discussions with my counterpart opposite, one of the alternatives I presented to Senator Tkachuk was to put the subject-matter before the committee prior to the vote on the principle of the bill, which takes place at second reading. There is nothing more to it than to allow senators on both sides of the house an opportunity to familiarize themselves with the bill while it is in committee. Perhaps once senators are more familiar with the details of this legislation, they will be able to vote on the principle of the bill.

**Hon. John B. Stewart:** Honourable senators, I have a question for Senator Berntson. I refer to the intervention by Senator Gauthier, where he rather tentatively raised a question of order implying that there was a possibility that the bill, as it now stands, would be out of order because we cannot introduce in this house a bill which requires a Royal Recommendation, the implication being that this bill does require a Royal Recommendation.

If I heard Senator Gauthier correctly, he requested a ruling from Speaker Molgat. I am trying to avoid that terrible expression from the other place, "His Honour," as if the Speaker of the Senate were a minor court judge.

If Senator Gauthier's request for a Speaker's ruling still stands, perhaps we ought to have some discussion before the Speaker undertakes to fulfil that obligation. On the other hand, we could delay the question of whether the bill is in order as it now stands until the committee has done its work. Either way, I do not want a situation to occur where the Speaker is giving a ruling without having heard some argument from honourable senators.

**Senator Berntson:** Honourable senators, I had hoped not to be drawn into a debate like this, but here I am. I am anything but an expert on procedural matters, but it is my understanding that such a point of order may be raised at any time during the course of the passage of the bill, at first reading, second reading, or third reading. Not being an expert myself, whenever it is raised, I am quite prepared to let all the arguments flow and to accept the ruling of the Speaker.

Having said that, if I understand where we are, the motion to refer the subject-matter to the committee has been passed and we are now dealing with a point of order. I may be wrong but that is my understanding. I do not foresee any potential damage from that course of action either, primarily because I believe this to be a very important debate in any event. Someone could raise the question of a Royal Recommendation requirement at some future point, and that would be fine.

In the meantime, as the committee goes on with its work, perhaps we will discover what this thing called aboriginal self-government is all about.

**Senator Stewart:** I want to be quite sure on this matter. You are saying that, to your understanding, the Speaker has not been asked for a ruling on the need for a recommendation. The question of whether the bill itself is in order will be left in abeyance. Is that correct?

**Senator Berntson:** I am not clear on that matter at all. I do not know whether Senator Gauthier stood up and raised a point of order or whether he stood and attempted to get into the debate. I suppose the only person who is really sure about that is Speaker Molgat.

**Senator Stewart:** Then we ought to be enlightened. We do not want the Speaker to feel he must give a ruling when there has been no opportunity for honourable senators to discuss the point.

**Senator Berntson:** My impression is that Senator Tkachuk moved a motion, that the Speaker called the question and that it was passed. Senator Gauthier intervened. Whether that intervention constitutes a point of order or an attempt to engage in the debate, I leave that determination in the hands of the Speaker.

**Senator Lynch-Staunton:** Senator Gauthier is still suffering from the effects of 21 years in the House of Commons.

**Hon. Anne C. Cools:** Honourable senators, it is my very clear perception that the motion was moved, the question put by the Speaker, and we voted on it. The matter was passed, from what I understand. It seems to me, then, that if Senator Gauthier has questions to raise — and I have no doubt that they are very important and poignant questions — perhaps they should be raised during the study by the Senate committee.

**Senator Gauthier:** May I clarify my question? There seem to be many experts here. May I speak for myself?

**Senator Cools:** It is not what he said; it is when he said it.

**Hon. Marcel Prud'homme:** Honourable senators, I understand very clearly that, indeed, Senator Cools could be right. Yes, the question was called. Yes, Senator Gauthier asked to revert and, yes, we agreed to revert. Because the Senate did not object to reverting, we are in order. It is very clear.

The subject-matter of this legislation is of such importance that many countries are talking about it. Debate is ongoing in British Columbia. Presently I am involved with a northern tribe of that province and I am giving them my full support and consultation. I will write a letter to the Prime Minister of Canada about that matter, which he has been talking about for 22 years.

Honourable senators, the Senate could do some of its best work at this juncture. I often raised objections in the House of Commons, as did my friend and colleague Senator Gauthier, so that matters would be sent to committee before second reading. In that way, we can learn about the subject, change the bill and return for second reading with a totally different product than may have been put forth at first reading.

I would urge my colleagues to give consent to send the subject-matter, as proposed and agreed to, to committee. I have had no part in discussions between the two parties, as usual. We should agree to put the subject-matter before the committee, where I will be active as a non-voting member.

I see Senator Stollery laughing, but that is okay. I take that with great pleasure.

This subject-matter is presently very important in this country. We will learn much. We will exchange views. When we finish, we may have found a new way. That would be a good result for the Senate rather than being stuck for long hours discussing Royal Recommendations.

I am of the opinion that this Royal Recommendation could be used to bury the Senate or to bury any discussion on any subject which requires some funding. Therefore, I submit that Speaker Molgat has correctly handled this matter. He should now put the question so that we can, again, give unanimous consent.

**Senator Graham:** Honourable senators, I want to make it perfectly clear that we are not discussing tactics, strategy or the merits of the legislation here. It is true that the Deputy Leader of the Opposition and I discussed the options, and the results of those discussions were transmitted clearly to Senator Tkachuk.

One of the options discussed was to have Senator Tkachuk make the motion that he has made today — that is, without second reading; in other words, the Senate would not approve the bill in principle at second reading stage, but would send it to the appropriate committee for study. Therefore, I ask for clarification on this motion.

Another option presents itself: Serious concerns have been expressed and questions asked by the parties represented on both sides of this house with reference to the constitutionality and admissibility of the motion. Rather than have the bill sent to committee for examination of its subject-matter at this particular time — and we have no objection to the bill being sent to committee at the appropriate time — a sufficient number of concerns have been raised that perhaps His Honour might wish to consult with the appropriate officials in order to determine if our concerns with respect to the constitutionality of the legislation are valid, and whether or not such a motion requires a Royal Recommendation, or involves "peace, order and good government," or whatever.

In other words, at this particular point in time, we thought it might be useful for us to have the Speaker's opinion on this matter, and if at the appropriate time he rules that the motion is not in order, then we will understand where we stand.

However, if we allow this motion and refer the subject-matter to the committee without first having a ruling from the Speaker, it could happen that the senators on the committee might be wasting their time if we find, when the matter is returned to the Senate, that indeed the motion may have been out of order in the first place. Depending upon the Speaker's ruling, there may be accommodations that can be made with respect to the legislation so that it could be acceptable.

I merely make those points in order that Senator Gauthier may be allowed, in turn, to make his points now, since we have reverted to this motion. There may also be other honourable senators who may wish to raise some points.

**Senator Tkachuk:** Honourable senators, a number of issues had been raised concerning this Bill S-10, not only in my own caucus but also by honourable senators opposite. I had discussions with Senator Berntson and subsequently asked that the matter be handled in this manner.

I deliberately left this item on the Order Paper for a long time for a purpose: so that if there were any issues to be discussed, they could be discussed. Although in fact it has only been there for six or seven sitting days, the matter has been on the order paper for a month.

I was listening to what Senator Gauthier had to say. He asked His Honour whether the question of a Royal Recommendation can be raised as the bill proceeds. I am not intending to speak for His Honour at this time, but my understanding is that the answer is yes, it can, and it can be dealt with at that time. It should go to the committee for study because the bill is a complex one. It has certain repercussions for our country matters which are being

discussed right now, behind closed doors. Those matters are being discussed by departmental officials, by particular groups, by aboriginal groups, and so on, and it seems that parliamentarians are to have no say in the matter.

Although this bill was brought with some purpose, namely to develop a framework for self-government that could be applied to aboriginals with territory across the country, it also allows us to fully debate the matter here in the Senate, no matter what happens.

If we had proceeded to second reading of this bill, I do not think there is anyone in the Senate who disagrees with the principle of the bill, which is self-government for aboriginal peoples, a principle which was laid down in the Red Book at the time of the last election. Our party fully supports that principle and has acted upon it during our term in office. We are committed to self-government for aboriginal peoples.

It then comes down to the fact that this is a very unusual and, perhaps one might say, an elegantly written bill that was drafted in a very unusual manner. A group of nine reserves from Treaty 8 in Northern Alberta, in the Lesser Slave Lake region, actually paid for the research, did all the sweat equity and all of the background work, with both myself and Senator Twinn. They then worked with the legal staff in the Senate to draft the bill. It was not undertaken in the usual manner where people are paid to do this work by the Government of Canada. In this case, the initiative was taken by the parties to develop this particular bill.

As I mentioned previously, the bill was elegantly written and carefully drafted by eminent drafters under the leadership of James Ryan, who is known to many honourable senators. We now have an opportunity, before the bill goes to second reading, to study the subject-matter of that bill and then allow it to proceed through the legislative process, if we so desire.

Whether or not something requires a Royal Recommendation is a question that can be raised at any time. In this instance, I do not believe that one is required, but that is something to be decided down the road. However, this motion will allow us an opportunity to discuss the bill in committee and to debate these very important issues without first having to deal with those matters at this time. In fact, we can deal with those matters at any time before the bill leaves this place.

I would ask honourable senators to support this particular motion. I know that Senator Berntson has been tearing his hair out over it, and I am sure Senator Graham is tired of the phone calls. However, let me say that I do appreciate the time he has spent with Senator Berntson on trying to work out some kind of solution.

I would therefore ask honourable senators to agree to this motion and let this issue proceed so that we can carry out our duties as parliamentarians and do the work that is expected of us by the Canadian people, rather than arguing about whether the matter should go to this committee or to that committee. Taking the long view, it is not a very important matter whether this bill goes immediately to second reading, or whether the subject-matter is first referred to a committee. We will go about doing our work on the bill, and thereafter we will proceed, in a professional fashion, to bring it forward, or change it, or make amendments. Anything can happen in this process of study.

**Senator Gauthier:** My question, originally, was whether the bill was still before the Senate, notwithstanding that the subject-matter of said bill had been referred to a committee — and let me repeat, it was the subject-matter that was referred and not the bill; the bill is supposedly still before this house. That is what I want the Speaker to rule on, and confirm for me that, yes, the bill is still before this house. If it is, then I may have something else to do. But right now, I do not know its status.

In my prior life, it would not have been; it would have been withdrawn. Now I am told that it is different here. That is what I am dealing with. Is it before the house, yes or no. That is a simple question.

**The Hon. the Speaker:** Honourable senators, first, I am always pleased to hear points of view from all sides whenever a question is raised. Let me try and put forward my understanding of where we stand at this point. If I am not correct, then I would appreciate your opinion.

As I recall the circumstances, when I called the order in the first place, after having read the proposed motion by Senator Tkachuk, a vote was held. After that, Senator Graham rose, as did Senator Gauthier almost simultaneously. I asked honourable senators if they were prepared to revert. The Senate agreed to revert. In my view, that wipes out the original vote.

• (1430)

Therefore, what went on in the interval disappears. We are therefore back to the motion of Senator Tkachuk.

At that point, Senator Gauthier rose. I did not hear him say, "I rise on a point of order." He said, "My wish is to debate." In the course of those remarks, he asked a question. He has repeated it now. My understanding is that he was not raising a question concerning a Royal Recommendation. That came later in the discussion. To my knowledge there is no point of order on that issue before us.

The question now is: Did Senator Gauthier raise a point of order, or did he ask a question? In his first statement, I understood him to ask a question. In that case, in my view, that is not a matter on which I need to rule. It is a question which I will undertake to review because it is an important point.

The question is: Is the bill still before the Senate at some stage in between first and second reading and at the same time in committee? Frankly, I am not sure. I want to review the precedents in that regard.

That is where we stand, honourable senators. We have a question, which I will look into, but the motion is still before us. As such, no point of order has been raised. If Senator Gauthier tells me he has raised a point of order, then I will take it under advisement and the matter will stand for now. Without a point of order being raised, I will call the question on the motion once again. If a point of order is raised, I will take it under advisement.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, perhaps we should have clarification on whether, by passing this motion, it has the effect of dropping the bill from the Order Paper. The motion states that second reading be postponed — not that the bill be dropped. Therefore, by implication, it should remain on the Order Paper.

I believe Senator Murray would remind us that there have been bills and/or subject-matters referred to committee before second reading. Unless Senator Tkachuk wants to persist, perhaps we should have the ruling before the motion is voted on.

**The Hon. the Speaker:** In the interests of the Senate, and if it is agreed, I believe we should leave the matter until tomorrow. I do not want to delay the bill in any way. To be sure from the point of view of the Senate as to where we stand, I think it would be advisable to delay it, rather than to proceed and establish a precedent which we might regret at a later date.

If it is agreeable to honourable senators, we can let the matter stand. I will try to provide an answer tomorrow. If that cannot be done, then I guarantee that I will provide one when we meet the following week.

Is it agreed, honourable senators?

**Senator Corbin:** On the advice of the Chair, does that mean that Your Honour's statement tomorrow, or on a subsequent day, would preclude any further debate on the topic?

**The Hon. the Speaker:** Whether there can be debate will depend on what is before us. Rulings of the Speaker are not debatable. Whether the issue itself will be before us, I am not quite sure. That will depend on my final ruling. That is to say, it depends on whether Senator Tkachuk's motion is accepted, or whether his motion will have the effect of removing the bill from the Order Paper. However, we will still have the motion for second reading before us.

I am not quite sure, Senator Corbin. I assume that, with the usual understanding we have here in the Senate, we can resolve the matter to the satisfaction of everyone and carry on with a debate.

**Senator Stewart:** Your Honour, I am pretty sure I have understood what you said. What Your Honour said is that we will not now have to deal with the question of a Royal Recommendation, that question not having been raised formally. However, we are not precluding anyone raising it. I do not intend to raise it because I happen to think that the bill probably is in order.

**The Hon. the Speaker:** Honourable senators, that is correct. I have not been asked to rule on the question of Royal Recommendation, and I do not intend to do so.

I must tell honourable senators that in anticipation of this occurrence, the Table staff and I have been working on the matter, and are examining it carefully. It is an important point.

I hope to come back with an answer to the question: When we send the subject-matter of the bill to a committee, does it then mean that the original bill is temporarily withdrawn? I understand that this is the question.

In the meantime, this item will remain on the Order Paper.

Motion adjourned to await ruling of the Speaker.

## THE ENVIRONMENT

### SUSTAINABLE DEVELOPMENT—DEBATE ADJOURNED

**Hon. Janis Johnson** rose pursuant to notice of Wednesday, February 22, 1995:

> That she will call the attention of the Senate to the environment and the issue of sustainable development.

She said: Honourable senators, I rise today to share with you my growing concern about the environment and the issue of sustainable development. I do so not as an expert but as a parliamentarian who is most concerned with the future of our planet. It is also rather timely considering what our country has just experienced with the European Union in the fishing dispute on our eastern coastline.

I strongly believe that we as senators should devote more energy to the principle of sustainable development. According to the report of Canada to the United Nations Commission on Sustainable Development, to be presented this month in New York:

> There is no one government or institution that is exclusively responsible for sustainable development, all Canadians are.

Some work is being done by the Standing Senate Committee on Energy, the Environment and Natural Resources, whose efforts I applaud. Senator Carney's committee is working on projects such as the National Protected Areas Strategy; and Senator Kenny has placed Bill S-7 before us, which aims to accelerate the use of alternative fuels for internal combustion engines.

However, I wish to draw the attention of this house to the fact that 600,000 Canadians, 300 organizations and most senior governments support the idea of establishing a network of wilderness lands across Canada. If achieved, this plan would protect areas which represent each of the country's natural regions. The total area protected would amount to 12 per cent of Canada's land mass.

This network would guarantee a critical mass of protected habitat for endangered wildlife, forests and fish species. The committee will recommend specific actions for achieving that goal.

• (1440)

Wildlife conservation and habitat preservation may seem less pressing than some of the more controversial issues of contemporary society. However, one day these controversies and burning issues will fall into perspective and become the quaint minutia of daily politics at the end of the 20th century. If we scattered this minutia like iron filings on a sheet of paper and passed them over the magnet of history, I believe that a greater and much more disturbing picture would emerge. This picture would show who we are; it would show where we are going; and it would show clearly that warfare, viral epidemic, urban blight and environmental destruction are growing threats to the human

race. It would show us that these frightening problems may become intractable by the time our children and grandchildren inherit them.

In my work as a senator, I have devoted considerable energy to studying the global environmental crisis. The more I learn about this subject, the more I am convinced that its importance overrides all other political concerns.

Honourable senators, the Canadian Senate has a long and distinguished tradition of thoughtfully examining issues as various as child poverty, banking, education, communications, and soil erosion. During the upcoming year, I ask you to think about dedicating that same wisdom, energy and social influence towards solving the very serious environmental crisis ahead of us. For my own part, I will consult with leading experts in the environmental field, and periodically I will report back to this chamber on the results.

I have no desire, my honourable friends, to waste your valuable time with idle speculation or with hand-wringing prophecies of doom and gloom. I hope, instead, to define our environmental problem and then to survey our best experts for reasonable strategies for resolving them.

The question, of course, is where does one begin? Do we look at the famine and disease that afflict so many countries in the third world, at the destruction of tropical rain forests, or is it more appropriate to begin right here at home with the destruction of our own resources? There is no shortage of crises before us. They all cry out for individual solutions. When we sketch in other domestic woes — unemployment, urban crime, the national debt, and so on — the shear complexity of the problem can overwhelm a person's will to act.

Honourable senators, some might choose to face these issues with cynicism and denial, both easy temptations when you live in this urbane, peaceful city in the most envied nation on earth. However, denial will not change the fact that the world's population has doubled since 1950 and will continue to do so with accelerating rapidity. It will not change the fact that this year we lost an average of one species per hour to extinction, or that millions of children died from preventable disease and starvation.

Denial will not change the future. Most experts agree that the world's population will hit the 10 billion mark sometime early in the next century. Around the same time, about 30 nations will simply run out of water. Virgin forests will be razed to the ground, converted into lumber, paper and unproductive farm land. Animals like the black rhinoceros and Siberian tiger will only be a sad memory.

By the mid-point of the 21st century, wildlife issues and forest conservation will seem like mere luxuries. Nation states will fall like dominoes, and as we saw recently in the case of Somalia and Rwanda, these devastated nations will become no-no zones, borderless waste lands commanded by war lords and their armed gangs.

As the human population continues to climb past the 12 billion mark, these crises will continue to multiply and gain momentum, driving the world towards the brink of global war, uncontrollable viral epidemics, and perhaps even the collapse of the human species.

In short, honourable senators, the environmental crisis is not a bad dream. It is real. It lies ahead of us just as ominously as an iceberg blocks the path of a supertanker. This ship of state reacts ponderously to changes, and I respectfully submit that the time to take evasive action is not at some undefined point in the future, but now.

As senators, can we change anything? I believe that we can. I truly do. Canada has built for itself a respected role as an international peacekeeper. With our wealth of natural resources and respected reputation in the field of diplomacy, we are well equipped to become environmental lobbyists in the international community.

Honourable senators, the United Nations will mark its 50th anniversary in 1995 and, very soon, sustainable development will become one of the UN's top priorities. By 1997, the Committee on Sustainable Development, or CSD, of the United Nations will meet to monitor progress on 39 issues relating to environment and development. Termed "Agenda 21," the plan will see what progress we are making as governments around the world begin to recognize that conservation is not just a motherhood-and-apple-pie issue. Natural resources make up the very foundation of the world economy, and without resources, we have no future.

My honourable friends, the air we breathe is our most basic resource. We tend to take it for granted because it is free, but the ancient Greeks regarded air as one of the four essential elements. Today we know that without air, there can be no life. The earth's reservoir of nurturing air is called the "troposphere," a thin, moist envelope of warm air surrounding our planet. The troposphere is not as vast and limitless as we tend to believe. The upper limit of the troposphere is about six miles above our heads, no further than from here to Gatineau Park.

In the 1970s, a British scientist named James Lovelock identified the buildup of gases called CFCs in the atmosphere. In 1984, a team of British scientists realized that these CFCs had burned a whole in the atmosphere above the Antarctic. This hole in the so-called "ozone layer" was about the size of the United States. With a depleted ozone layer, increased levels of ultraviolet-B radiation pour through the atmosphere creating higher risks of skin cancer. Canadian weather broadcasters now issue "ultraviolet radiation bulletins" during danger periods in the early summer. In nature, even 1 per cent is a large number, and in some parts of Canada, scientists have measured UV-B radiation levels that are 15 per cent above normal.

Honourable senators, within the framework of the United Nations, Canada helped establish the very first laws to protect air quality. In response to the alarming destruction of the ozone layer, the international community met in Montreal in 1987 to draft the first "law of the air" — the so-called "Montreal Protocol" — which committed signatory nations to a strict timetable of reduction in CFC usage. Since then, alarming information has continued to surface, and the Montreal Protocol has been amended to implement a total phaseout of CFC products by 1995.

The Montreal Protocol was a landmark example of international diplomacy, and it gives all nations a model that we can draw upon in the future. What was the secret of its success? Greater public knowledge was a key factor. The United States was an important diplomatic player, but perhaps the single most significant component was the creation of a fund to help poorer countries switch over from CFCs to less harmful substances. The Montreal Protocol showed that the southern hemisphere is quite willing to go along with large-scale environmental initiatives as long as wealthy northern nations help pay the bill.

Can we continue in this positive direction? The first step, my friends, is to recognize that the crisis is not as complicated as it might seem. There are not thousands of environmental crises or hundreds or even a dozen. There is really only one.

Honourable senators, we refuse to live within the laws of nature. That is the bottom line.

Does that mean we should be striving for zero consumption of resources? No. We are not required to go back to the Stone Age. Technology is not inherently harmful to nature. Witness the sail boat, the wrist watch, the bicycle, even the computer in your office. Technology may have a good, bad, or neutral impact on the environment. Nor is it necessary for us to strive for "zero impact" on natural resources. The earth produces a surplus of natural resources every year, a usable bounty of fish, plants, and forest products that we can use now and for all eternity without diminishing the principle. This is called the "sustainable harvest." The sustainable harvest varies with all species. In the marshes of Lake Winnipeg near my home, trappers are able to harvest up to 80 per cent of the muskrat population every year without depleting the population. In higher, more long-lived animals like whales, the sustainable harvest may be as low as 5 per cent. Even crude, 19th century whaling boats were able to harvest a higher portion of the population than 5 per cent. Apart from moral considerations, whaling is simply a non-sustainable activity.

• (1450)

None of this is very mysterious. We have an abundance of highly dedicated scientists who are generally eager to share their information with anyone who will listen. Scientists, of course, are not always right, but accuracy of scientific information has never been our primary problem.

"Sustainable development" means designing corporate activity that falls within the limits of natural systems. If we learn to live within the principles of sustainable development, we can conceivably develop the entire world community to a high standard of living with no lasting damage to the environment. However, if sustainable development is to work, we must do more than just dress up the same old system with a new coat of paint.

Under the current model, resource-based industries are planned, first of all, as business enterprises. Politicians, engineers, bankers, accountants and lawyers are in charge of determining whether a business enterprise is feasible. If the numbers look attractive, the project moves along. At some point, nature's point of view may be included. This is called the "environmental impact study," and it normally bangs along at the tail end of the process like a tin can dragging behind a limousine.

Today, investment opportunities, regional employment targets and countless other narrow focus issues are given far more weight than environmental considerations. If sustainable development is to have any effect on our worsening global crisis, we must move it from somewhere near the end of the line to somewhere near the front.

The Montreal Protocol established a good precedent for Canada, but air quality is not as serious a problem in Canada as in other nations. How do we Canadians perform when our own interests are at stake? Look at water management. Water is central to the history of this country. It defines our borders, creates our agricultural and forestry wealth, and, not long ago, provided our principal transportation thoroughfares. Canada has almost 10 per cent of the world's fresh water, more than any other nation on earth.

Just as we can take clean air for granted, Canadians tend to believe that clean, abundant, inexpensive water is their birthright. Water management is carried out by a patchwork of federal, provincial and municipal agencies. Near my home, real estate developers are permitted to build new structures on the very shore of Lake Winnipeg. This reduces wildlife habitat, damages fish spawning beds, and, of course, creates a danger of pollution from sewage run-off. Only an hour's drive to the east, the Province of Ontario applies a very different set of regulations.

This same patchwork approach applies to our creeks and rivers. In some parts of Manitoba, the provincial government has funded efforts to channelize creeks and drain wetlands, a practice extremely destructive to plants, wildlife and farmland. Now many districts are experiencing drought, and others are appealing to their government to finance expensive irrigation systems to repair the damage done by their neighbours.

Honourable senators, we must recognize that political boundaries are in fact arbitrary divisions imposed on vast, interconnected, whole natural systems. Biologists have long argued for a systematic management plan that governs entire watersheds, otherwise the efforts of one jurisdiction will forever cancel that of another.

Another important issue in the coming years will be water exports. In a few decades, many nations around the world will be running short of potable water, and Canada will be tempted to sell it in bulk to other countries. The United States in particular would be an obvious market. Large scale water exports would, however, be a short-term prospect. Canadian water resources are finite, and even the enormous reservoirs of the Great Lakes quickly show the effects of large-scale drainage to the south. Reduced water levels in Canada would damage shore line environments and deplete fish and wildlife.

For these and countless other reasons, large-scale water sales to the United States, no matter how tempting and profitable, would be a gross violation of sustainable development principles. One would like to believe that Canadian policymakers would argue for the wise course of action with our water supplies, but history gives little indication that our actions are inherently noble when profits or votes are involved.

The tragic destruction of the North Atlantic cod fishery has shown that Canadians are willing to destroy their own natural resources as vigorously as any other country. Assorted scientists warned the federal government that the cod harvest was too high, but again the principles of sustainable development use were put at the bottom of the priority list and the result was the destruction of a species.

Can we learn from our mistakes? Perhaps we can start by admitting that we have made them. The destruction of the northern cod, for example, was not an unemployment story. It was not about jobs any more than the extermination of the bison was about a sudden lack of employment for buffalo hunters. It was about profits. Fisheries are businesses, and we cannot blame them for seeking profits, but it is the job of government to protect our natural resources. Whenever government ignores that responsibility for the sake of political expedience, tragic stories like this are the inevitable result.

Now that the East Coast fishery is devastated, our attention will shift to the West Coast where the same folly is underway. This fall, the attention of the world turned to the legendary migration of the sockeye salmon, but approximately three-quarters of the run failed to materialize on the spawning grounds of the headwaters of the Adams River. Two-and-a-half million salmon simply disappeared.

Many user groups exploit the sockeye, including offshore drift netters, Alaskan commercial boats, Canadian commercial boats, and various aboriginal tribes operating under the virtual carte blanche of the *Sparrow* decision. All these user groups have denied any responsibility for the missing salmon. Fisheries managers have tried to diffuse the situation by explaining that their projections for the run were perhaps too optimistic.

Will British Columbia salmon populations continue to decline? Yes, they will as they will in California, Oregon, and Washington once abundant salmon runs have been utterly destroyed for the sake of short-term profits. As the salmon disappear, so do the orcas, seals, grizzly bears, dolphins, eagles and other wild species which rely on the salmon for survival. This modern-day buffalo hunt is now moving north. As long as the Canadian government tolerates overfishing, we will no doubt soon be facing a so-called unemployment crisis in the B.C. fishery as well.

As a nation, we must start getting serious about sustainable development. That is my message to you. In my next speech, I will be presenting some examples of projects and initiatives that have made a positive difference and have moved us closer to the goal of true sustainability in our resource industries. In the meantime, I look forward to your response to these important issues.

On motion of Senator Bosa, debate adjourned.

## ONTARIO COURT GENERAL DIVISION

MOTION TO STRIKE SPECIAL COMMITTEE TO EXAMINE AND REPORT UPON THE CONDUCT AND BEHAVIOUR OF CERTAIN OFFICERS AND JUSTICES— POINT OF ORDER—DEBATE ADJOURNED

**Hon. Anne C. Cools**, pursuant to notice of Wednesday, March 1, 1995 moved:

That a Special Committee of the Senate be constituted to examine and report upon the conduct and behaviour of certain justices and barristers of the Ontario Court of Justice (General Division), raised by the Honourable Senator Cools in her speeches on Parliamentary Privilege in the Senate in terms of:

(i) failing to take judicial notice of the Law of Parliamentary Privilege, the Constitution of Canada, and the laws of Canada pertaining to the Senate;

(ii) failing to uphold and enforce the said laws and the immunities and privileges of the Senate;

(iii) interfering with and frustrating the enjoyment and exercise of the said laws, immunities, and privileges;

(iv) inducing failure to observe and comply with the said laws, immunities, and privileges;

(v) impeaching proceedings in Parliament;

(vi) threatening sanctions on the vindication of the said laws, immunities, and privileges;

(vii) their conduct and behaviour generally relating to the Law of Parliamentary Privilege, the Constitution of Canada, the independence of the judiciary, constitutional comity, the dignity of the Senate, and the due administration of justice;

That the committee be further empowered to consider and report upon related matters which may concern the privileges of the Senate;

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee be composed of seven members, four of whom shall constitute a quorum; and

That the Committee of Selection be instructed to decide and report upon the membership of the Special Committee.

**Hon. Brenda M. Robertson:** Honourable senators, I rise on a point of order concerning the motion of Senator Cools, notice of which was given on March 1, 1995.

The motion proposes that a special committee of the Senate be constituted to examine and report upon the conduct of the behaviour of certain justices and barristers of the Ontario Court of Justice (General Division) raised by the senator in her recent speeches on parliamentary privilege and certain other factors relating to the privileges of the Senate.

Honourable senators, my point of order is to seek guidance from the Chair on two questions: First, whether this motion is properly worded; and second, whether, in the interests of parliamentary decorum, it is appropriate for the Senate to debate the conduct and behaviour of certain judges and other officers of the court who are not identified in the motion and whom our parliamentary authorities traditionally refer to as "protected persons."

Honourable senators will remember that on October 4, 1994, Senator Cools raised a question of privilege concerning her attendance on July 14, 1994 before the Ontario Court General Division. The senator alleged that she was forced to attend, even though, as she admits in her statement to the Senate on October 4, she was appearing in court as a litigant.

On November 16, 1994, Speaker LeBlanc ruled that her question of privilege did not comply with rule 43 which states that a question of privilege, in order to have priority, must, among other criteria, be raised at the earliest opportunity. He concluded that he was not satisfied that the question was raised in the Senate at the earliest opportunity as "even a gap of a few days may invalidate the claim for precedence."

• (1500)

It should be noted that rule 43(2) goes on to state:

> If the matter is not raised at the earliest opportunity, the Senator raising the matter may put it on notice, but the matter cannot be proceeded with under the terms of this rule.

It would appear that Senator Cools is availing herself of this procedure. However, the motion before us does not deal exclusively with the question of privilege which the honourable senator raised on October 4, 1994. It does not ask the Senate to determine if a breach of privilege occurred. Instead, her motion appears to presume that the Senate's privileges have been breached. It states that a committee be established to examine certain judicial behaviour in terms of a number of accusations which relate to parliamentary privilege and the failure of the court to uphold those privileges.

It would seem to me that, before proceeding to decide whether the conduct and behaviour of certain justices and barristers should be examined, the Senate must first establish whether there was indeed a *bona fide* question of privilege raised by Senator Cools in her speeches on parliamentary privilege.

Senator Cools' motion seems to include two related, but quite separate, questions which in normal parliamentary practice is not permitted. Beauchesne's Sixth Edition, page 172, citation 557(1) states:

> A motion which contains two or more distinct propositions may be divided so that the sense of the House may be taken on each separately. The Speaker has a discretionary power to decide whether a motion should be divided.

I submit that Senator Cools' motion is not in proper form since it contains two distinct propositions.

The second matter I wish to raise concerns parliamentary decorum. Beauchesne's Sixth Edition, citation 493(1) states:

> All references to judges and courts of justice of the nature of personal attack and censure have always been considered unparliamentary, and the Speaker has always treated them as breaches of order. Members have been interrupted in Committee of the Whole by the Chairman when they have cast an imputation upon a judicial proceeding.

Beauchesne goes on to state in citation 493(4):

> The Speaker has cautioned Members to exercise great care in making statements about persons who are outside the House and unable to reply.

Bourinot's Fourth Edition, page 358-359, states essentially the same thing:

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attacks and censure have always been considered unparliamentary and the speakers of the British and Canadian houses have always treated them as breaches of order. They have always insisted that, 'Such expressions should be withdrawn' and that 'When it is proposed to call in question the conduct of a judge, the member desiring to do so should pursue the constitutional course of moving an address to the Crown.'

Presumably, here Bourinot is referring to section 99(1) of the Constitution Act, 1867 which states:

> ...the Judges of the Superior Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

The motion of Senator Cools is not in the form of an address, nor does it request that certain justices and barristers, whom she does not specifically name, be removed; only that their conduct and behaviour be examined. It appears that her motion is of "the nature of a personal attack and censure," as described by Bourinot, and therefore should not be allowed to proceed.

I am aware that, with regard to the practices of the British House of Commons, as described in Erskine May's 21st Edition, page 380, the British Speaker has ruled that:

> ...reflections on a judge's character or motives cannot be made except on a motion, nor can any charge of a personal nature be made except on a motion....Any suggestion that a judge should be dismissed can only be made on a motion.

However, I doubt very much that, given the form of Senator Cools's motion, in which she does not specifically identify the justices or barristers in question, it would be permitted in the British house.

I am almost certain that, even if a British Speaker had previously ruled that the allegations made by an honourable member did not constitute a breach of parliamentary privilege, that Speaker would not permit a motion of this sort, which essentially calls for an investigation into an alleged breach of privilege to be set down on the Order Paper for debate.

Honourable senators, I would ask Your Honour to rule on my point of order.

**The Hon. the Speaker:** Honourable senators, I will be pleased to hear argument on the point of order.

**Senator Cools:** Honourable senators, I rise to speak on the point of order. My motion is not only in order and appropriate, but it is also fitting and necessary.

I quote British Prime Minister Sir Campbell-Bannerman who, in similar circumstances, said:

> Therefore this motion is not only in order in a Parliamentary sense, but is perfectly justified and perfectly natural in the circumstances.

The intention of my motion is to ask the Senate of Canada to examine particular circumstances where I believe that the law of parliamentary privilege has been breached by: first, the instituting of court proceedings for the adjudicating on parliamentary privileges, and their success and reward; second, the threat of an exercise of judicial sanction and censure in the exercise of a senator's privilege; third, the compulsion by the Ontario Court (General Division), by court orders, of a senator's attendance in court on Senate sitting days, including during actual Senate sittings; and, fourth, the compulsion by the Ontario Court (General Division), by court orders, of service of any court documents and legal processes requiring personal service in the precincts of Parliament without leave of the Speaker of the Senate of Canada.

That the law of privilege is a part of the public law in Canada is established by the British North American Act, 1867 and the Parliament of Canada Act, R.C.S. 1985.

• (1510)

All senators are bound to defend the privileges of Parliament, the high court of Parliament, the "grand inquest" of the nation. Parliament is the only body which may institute and conduct inquiries into the discharge of judicial functions and receive petitions therein. Parliament, also, is the sole court that may hear and adjudge breaches of privilege or contempts of Parliament. The collective privileges of Parliament and the rights of Parliament to exercise its function are coincidental with the public interest.

In 1837, Lord Viscount Howick reported to the British House of Commons that:

> As the Privilege of each House respectively is derived from and identified with the collective Privilege of Parliament, it becomes essential to bear in mind the basis upon which it rests;...the protection of the public interest as connected with the discharge of the duties and the maintenance of the authority with which Parliament is for public purposes invested.

Senator Robertson surprises me in her capricious treatment of this subject. First, she suggests that Parliament's privileges are not important and that they should be surrendered to the courts, overlooking Parliament's historical experience in this matter and long insistence that, again, as Lord Viscount Howick reported:

> The instant these Privileges are subject to any other jurisdiction than that of Parliament, all security for their existence is at an end; a new element of power is introduced into the State, and the Legislative Assembly of the Nation is no longer supreme.

In other words, honourable senators, for the public good and in the public interest.

Parliament, again as per that same report of 1837, has always asserted that:

> ...the paramount authority of Parliament over the Courts of Law must never be forgotten.

Second, Senator Robertson has suggested that my course of action should have been an address to the Governor General for removal of a judge; that I should pursue the judge to destruction; that I should initiate the most extreme penalty of deprivation of office; and all of this without the benefit of a solemn inquiry.

Honourable senators, the removal of a judge is the ultimate proof of Parliament's supremacy. The framers of our Constitution were sensible, prudent persons. The actual drafting of the British North America Act was a meticulous piece of work. Lord Thring, one of the ablest legislative drafters of the day, was most attentive and diligent to its writing, and our Constitution to this day remains one of the most ably written in the world.

The Act of Settlement of 1701, as enacted by the sovereign, decided for all time the relationship between the courts and Parliament. That act states:

> ...judges' commissions be made *quamdiu se bene gesserint* (during good behaviour),...but upon the address of both Houses of Parliament, it may be lawful to remove them.

Canada's British North America Act, 1867, section 99(1), is most loyal to the Act of Settlement of 1701 and recites it.

Honourable senators, this power of removal is the most grave in the penal code and is a power of some severity and solemnity. The exercise of this power is not to be taken lightly nor undertaken in any facile way, as Senator Robertson suggests.

I have asked that the Senate of Canada examine this matter in a manner consistent with due regard to the independence of the judiciary, the principles of natural justice, and the issue of public confidence in the administration of justice.

Honourable senators, responsibility is ours, and we should not shrink from it.

I have not asked the Senate to examine these individuals because they have erred either in law or in fact, which matters properly belong to the courts. I have asked the Senate to examine these matters because I believe a terrible thing has happened, that a high breach of Parliament's privileges has been occasioned; that conduct has occurred that is prejudicial to the constitutional order of Canada; that conduct has occurred which corrupts the constitutional order and which lowers the dignity of Parliament and also the dignity of the courts.

Honourable senators, when Parliament's privileges are offended, Parliament can pursue no minor course. When the offending conduct involves courts of law, there is no competent jurisdiction, other than Parliament, to examine these matters. I have felt a great difficulty in approaching this task, but it is a task from which I cannot shrink.

Sir William Blackstone once said:

> The jurisdiction of courts of law in Parliamentary Privilege is one of the most embarrassing questions of constitutional law...

As I have said here before, institutional comity between the coordinate institutions of our Constitution, between Parliament and the courts, is the foundation on which our Constitution is built and the reason for its success. The independence of Parliament and the independence of the judiciary are planks of our governance and our Constitution. The abandonment by an honourable justice of these conventions, in concert with suspected or alleged contempt of Parliament, immediately places an honourable justice into investigation by Parliament. This is enhanced by that fact that this matter has lain on the Order Paper for quite some months without animadverting and that the mentioned persons, unnamed in the Notice of Motion yet easily recognized, have not seen fit to come forward to Parliament or the Senate of Canada by petition or by any other means to clear any suspicion around themselves.

Honourable senators, one of Senator Robertson's complaints is that the individuals were unnamed. I should like to place those names on the record now.

My complaints are directed against Mr. Justice Theodore Matlow of the Ontario Court General Division, and barristers Anne Molloy, Bruce Drake, Eva Frank, and Robbin Basu. The complaints against Anne Maloy touched two other judges — Judge Lee Ferrier and Justice Douglas Lissaman.

Honourable senators, I would be pleased to adjourn my comments so that we can all go off to our committees and to carry on tomorrow.

**The Hon. the Speaker:** Other senators may wish to speak on this matter.

Honourable senators, when a point of order is raised, I should deal with the point of order. I believe we have a precedent whereby a point of order can be raised, and I can defer the matter. Therefore, is it agreed that Senator Cools be allowed to complete her comments now?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Senator Grimard then wishes to speak on this matter.

**Hon. John B. Stewart:** Honourable senators, I doubt that a point of order can be raised on a point of order. I suspect not.

We meet on Wednesdays at 1:30 p.m. on an understanding — there is no rule — that we will adjourn at three o'clock to let committees do their work. One committee was supposed to convene three minutes ago. If we are to continue this procedure of meeting at 1:30 p.m. on Wednesdays in order to rise at approximately three o'clock so we can get on with important work in the committees, we cannot allow the work of the committees to be abbreviated by carrying on here even though the work before the Senate may be extremely important, as it is in this instance.

**The Hon. the Speaker:** Honourable senators, I am in your hands. Is it your wish to ask Senator Cools to complete her comments quickly, hear Senator Grimard and then adjourn?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Honourable senators, I believe senator Stewart is correct when he suggests that there can be no point of order on a point of order. A point of order is before us.

**Senator Cools:** Honourable senators, I am prepared to continue tomorrow. Perhaps I misunderstood. I thought the consensus was to adjourn.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, the point is well taken. Once you start a point of order, you should complete it. However, given the constrictions of time, there is agreement that we should postpone the continuation of the point of order until tomorrow.

**The Hon. the Speaker:** The Senate is always able, by unanimous consent, to do as it wishes.

Is it your pleasure, honourable senators, to adjourn debate on this point of order in the name Senator Cools?

**Hon. Senators:** Agreed.

On motion of Senator Cools, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Thursday, May 11, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### VICTORY IN EUROPE

FIFTIETH ANNIVERSARY CELEBRATION CEREMONIES— PRESENCE OF PRIME MINISTER

**Hon. John G. Bryden:** Honourable senators, yesterday in this chamber a senator made a statement which appears on page 1614 of the *Debates of the Senate* relating to the celebration of the victory in Europe.

Like that senator, many others in this chamber, and many in this country, I was not old enough to fight in World War II. However, I was old enough to remember my father enlisting at the beginning of the war and my eldest brother becoming old enough to enlist in the last six months of the war.

I remember the first numbers I learned. They were G27915 — my father's regimental number in the New Brunswick Rangers, which I learned from the letters that were read over and over again to us boys at home.

Over the years, since the return of my father, my brother and some of our neighbours, and in particular since my father's death, I have thought of what their sacrifice and the sacrifice of millions of others during that time has meant to me, my children and my grandchildren. Of course, it means many different things to different people. Perhaps the most important and lasting thing for me and my generation is that for 50 years we have not had to make the choice that the members of their generation had to make; that is, whether or not to go to war.

To me, this is one of the greatest legacies that they in their generation left to their fellow Canadians. For 50 years we have not had to choose between fighting and not fighting, to kill or to be killed, in order to protect liberty, civility and humanity. In my opinion, this is one of the most important things being celebrated in the V-E day celebration in Europe.

I cannot be there to honour my father, my brother and their comrades. However, I am proud to be represented there by my Prime Minister, who is a statesman, a world leader and, above all, a Canadian of great humanity.

In that regard, I should like to quote from a column authored by Anthony Wilson Smith which appeared in the May 8 issue of *Maclean's* magazine. After citing a number advantages of foreign travel to national leaders, the writer states:

> But there is one traditional travel advantage that Chrétien does not need: if respect and affection were what he craved most, he would do as well to stay at home. Virtually alone among leaders of Western democracies, his popularity has grown rather than shrunk since coming to office.

The writer then goes on to discuss a number of tactics which he thinks have helped the Prime Minister's increasing popularity. He then cites a very revealing incident:

> And along with tactics, consider this: last June in Normandy, Chrétien attended ceremonies marking the 50th anniversary of D-Day at the Canadian military cemetery in Beny-sur-mer. The memorial service ran late, largely because of the tardy arrival of French President François Mitterand —

**The Hon. the Speaker:** Honourable senators, I hesitate to interrupt the honourable senator, but statements by senators are to be no longer than three minutes in length. Therefore, the Honourable Senator Bryden's time has expired.

Is it the wish of honourable senators that Senator Bryden be allowed to continue?

**Hon. Senators:** Agreed.

**Senator Bryden:** I thank honourable senators.

The quotation continues:

> — and Chrétien was visually exhausted. After it ended, the French delegation left at once, as did the buses containing Canadian officials and the media. But one straggler was Chrétien, who slipped into the crowd to greet often frail veterans and their families. Each time one thanked him, Chrétien said emphatically: 'No Sir, thank you.' He stayed for close to an hour, leaving only after all the veterans were shepherded aboard their charter buses. At Beny-sur-mer that night, you did not need a pollster or a pundit to understand why Canadians like Jean Chrétien.

• (1410)

The Prime Minister does not need a member of this chamber, nor anyone else, to instruct him on the significance of what happened in Europe 50 years ago and on what my father, my brother and their comrades fought and died for. He, at least, seems to understand that the forgiveness and the reconciliation must continue if our grandchildren are to be spared the awful choice my father and his generation had to make to defend humanity.

**Some Hon. Senators:** Hear, hear!

### MANITOBA ACT

ONE HUNDRED AND TWENTY-FIFTH ANNIVERSARY OF LEGISLATION

**Hon. Terry Stratton:** Honourable senators, tomorrow marks a very special day for Manitobans and the province of Manitoba.

May 12 marks the 125th anniversary of the giving of Royal Assent to the Manitoba Act, which paved the way for Manitoba to join Confederation. The passage of the Manitoba Act on May 12, 1870, was the first step leading the way to the transfer of Rupert's Land and the Northwest Territory from the Hudson's Bay Company to the Dominion of Canada. The transfer was completed on June 23, and the act was proclaimed on July 15, another very important day in the history of Manitoba.

Honourable senators, Manitoba was the fifth province to join Confederation, and it is a province which is extremely proud to be part of Canada. Please join me in wishing my home province a happy 125th birthday.

**Hon. Senators:** Hear, hear!

## FOREIGN AFFAIRS

### STRATEGY FOR G-7 SUMMIT—RECOMMENDATION OF JOINT COMMITTEE REVIEWING CANADA'S FOREIGN POLICY

**Hon. Allan J. MacEachen:** Honourable senators, I wish to draw the attention of the Senate to a particular recommendation made by the Special Joint Committee Reviewing Canada's Foreign Policy.

Looking forward to the summit, which is to take place next month in Halifax, and taking into account the difficulties and the criticisms which are directed against certain international financial institutions, the committee recommended that the government prepare an overall strategy which would be tabled in Parliament and debated prior to the summit.

The purpose of this strategy would be to increase Canada's profile at the summit by making a coordinated proposal with respect to the World Trade Organization and the Bretton Wood's institutions. We thought it would be a good idea to give Parliament a chance to debate the strategy of the government.

In its response, the government stated that ministers would brief and seek the views of Parliament in advance of the summit. However, there is not a great deal of time left. I hope that someone is giving some thought as to when ministers will appear before the appropriate committees, not only to seek views of members of the Senate and Parliament, but also to give some advance indication of the position which the government will take at this important summit in Halifax.

## FIREARMS LEGISLATION

### COMMENTS OF LIBERAL MEMBER OF PARLIAMENT

**Hon. Ron Ghitter:** Your Honour, I propose to read into the record the views of another Liberal member of the House of Commons with respect to gun control and in particular the gun legislation.

These remarks are by Mrs. Rose-Marie Ur of Lambton—Middlesex, a Liberal. She says:

> Canada has had a long history in the monitoring and controlling of firearms. Canada has had laws restricting the possession and the use of firearms since 1877. These were a nation-wide permit system for the carrying of small arms in effect in 1892. All handguns have had to be registered since 1934. In 1951, a centralized registry for restricted firearms was established under the control of the commissioner of the RCMP....
>
> Bill C-68 includes provisions for the initiation of universal firearms owner registration where the current FAC will be replaced with a graduated firearms possession certificate,...
>
> As the second half of the proposed universal registration system, the bill would require every Canadian to register his or her firearm individually. Each firearm is to be identified by make, model, manufacturer, serial number and other identifiers, and a special firearms registration card,...
>
> We should not be surprised that law-abiding firearm owners are deeply resentful over this registration proposal, which can only be described as intrusive and cumbersome....
>
> It should be obvious by now that criminals do not register their firearms. A universal firearms registry, even if it were fully subscribed to by all legal firearm owners, will not reduce criminal activity involving firearms, nor will it improve public safety. Neither law-abiding firearms owners nor other taxpayers deserve to be burdened with any expense or inconvenience that has no demonstrable effect on reducing crime or improving community safety....
>
> Non-firearm owning Canadians are beginning to understand that additional gun controls will only serve to penalize responsible firearm owners unnecessarily and will not reduce crime....
>
> If we are prepared to spend more money on gun control, let us spend it wisely. It has been suggested by the solicitor general of Ontario that a national task force on firearms smuggling be set up at key border points. I strongly support this proposal....
>
> I sincerely hope the justice committee will insist upon an objective, dispassionate examination of the utility of a national registration system as set out in the bill. I hope that at the end of its study it would conclude that the current system requiring a firearms acquisition certificate is more than adequate and that if anything has to be done to curb the criminal use of firearms, the work has to be done at Canada's borders and in our court rooms.

# ROUTINE PROCEEDINGS

## SCRUTINY OF REGULATIONS

### THIRD REPORT OF COMMITTEE TABLED AND PRINTED AS APPENDIX

**Hon. P. Derek Lewis:** Honourable senators, I have the honour to table the third report of the Standing Joint Committee for the Scrutiny of Regulations which deals with the revocation of sections 23, 41 and 42 of the National Capital Commission Traffic and Property Regulations, C.R.C. 1978, c. 1044.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Lewis, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## BUSINESS OF THE SENATE

### ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday, May 23, 1995 at eight o'clock in the evening.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**Senator Graham:** Honourable senators, by way of explanation, even though the Senate itself is not sitting next week, it will certainly be a "committee week." Several of the committees that have legislation before them at the present time will be sitting. In particular, I understand from the chairman that, by agreement, the Legal and Constitutional Affairs Committee will be meeting to deliberate on several important pieces of legislation, as will other committees.

Another reason we are not sitting next week is that we are awaiting further legislation from the other place. We have no indication at this time as to when that may be forthcoming.

• (1420)

## COMMITTEE OF SELECTION

### COMMITTEE AUTHORIZED TO EXTEND DEADLINE FOR SELECTION OF MEMBERS OF SPECIAL COMMITTEE ON PEARSON AIRPORT AGREEMENTS

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators will recall that when we approved the motion setting up an inquiry into the Pearson Airport Agreements, one of the terms of reference was that the Senate Committee of Selection was to nominate the membership of that committee within two weeks of the adoption of the motion. The deadline for those nominations was May 18. Since we will not be sitting next week, and regardless of whether the Senate Committee of Selection meets or not, those names cannot be brought forward until the following week.

Therefore, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

> That notwithstanding the Order of Reference adopted by the Senate on May 4, 1995, the period for nominating Senators to the Special Committee on Pearson International Airport Agreements be extended to three weeks.

This means, honourable senators, that the deadline for nominations will be extended to May 25, 1995.

**The Hon. the Speaker:** Is leave granted?

**Hon. Senators:** Agreed.

**Hon. Marcel Prud'homme:** When will a budget for that committee be forthcoming? This committee will require quite a lot of money to complete its deliberations.

Am I to understand that when the committee is properly set up, it will attack this issue and provide a report to the Senate?

**Senator Lynch-Staunton:** I do not know whether I am in order in answering the question, but until I am ruled out of order, I will answer the question.

A committee is given an order of reference and then goes before the Internal Economy Committee with a budget pertaining to that reference. The Internal Economy Committee then comes before the full Senate for approval of that budget.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

## FOREIGN AFFAIRS

### COMMITTEE AUTHORIZED TO EXTEND DATE FOR FINAL REPORT

**Hon. John B. Stewart:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

> That notwithstanding the Order of Reference that the Senate adopted on April 27, 1994, the Standing Senate Committee on Foreign Affairs, which was authorized to monitor and report on the implementation and application in both countries of the Canada-United States Free Trade Agreement, and on the implementation and application in Canada, the United States and Mexico of the North American Free Trade Agreement, be empowered to report no later than Thursday, December 14, 1995.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## BANKING, TRADE AND COMMERCE

### NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO ENGAGE SERVICES

**Hon. Michael Kirby:** Honourable senators, I give notice that on Tuesday, May 23, 1995, I will move:

That the Standing Senate Committee on Banking, Trade and Commerce have the power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it.

# QUESTION PERIOD

## TRAINING INITIATIVES PROGRAM

AMOUNT OF FUNDS AVAILABLE FROM HUMAN RESOURCES DEVELOPMENT—GOVERNMENT POSITION

**Hon. Janis Johnson:** Honourable senators, my question is for the Leader of the Government in the Senate regarding funding for the Training Initiatives Program, known as TIP, which is now being administered by the Cultural Human Resources Council.

As honourable senators will know, the Cultural Human Resources Council was established after an announcement by the Minister of Human Resources Development, Lloyd Axworthy, on January 19, 1995, and the council began operating over a month ago on April 1.

Honourable senators, the council has received many applications from individuals and groups across Canada for funding under the TIP program. This program has been around for approximately three years and gives access to skills upgrading to self-employed individuals who are cultural workers. The deadline for applications to the program was March 31, 1995. The decision of the council on the applications and who will receive funding is expected to be announced on May 15. This date was specified on the application form.

To my knowledge, honourable senators, the Minister of Human Resources Development has not yet announced how much money will be given to this program for the current fiscal year. My question is: Given the fact that May 15 is fast approaching, perhaps the Leader of the Government can find out for me when an announcement will be made by the government as to how much money TIP will receive this year from Mr. Axworthy's department.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to seek that information from Minister Axworthy. As we will be off for a few days, if I can obtain an answer for my friend in the interim, I will have my office transmit that answer to her.

**Senator Johnson:** By way of supplementary, are there any indications that this funding could be cut in any way?

**Senator Fairbairn:** I do not have that information, Senator Johnson. However, I will seek it out and convey it to you.

## ENVIRONMENT

ORIENTED STRANDBOARD PLANT IN SASKATCHEWAN—EXTENSION OF ENVIRONMENTAL REVIEW TO COVER DOWNSTREAM EFFECTS IN MANITOBA—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, a Crown corporation of the Saskatchewan government, Saskatchewan Forest Products Corp., and MacMillan Bloedel Ltd. recently announced plans to build a $150-million oriented strandboard plant that would rely on the forest resources in the northeastern portion of that province.

These forest resources share watersheds with Manitoba in a region where Louisiana-Pacific is already planning to harvest timber for another large oriented strandboard plant. Many citizens of Manitoba are already concerned about the environmental impact of the proposed Louisiana-Pacific plant. In fact, I asked a question of the Leader of the Government in the Senate about that matter last week.

Repap Forest Resources in Manitoba is also planning to produce oriented strandboard. Industry spokesmen expect the product, which is pressure-treated with chemicals, will replace plywood. They also expect plant capacity for that product in Canada to double in the next three years.

Under regulations of the Canadian Environmental Assessment Act, a comprehensive study is required of proposed large-scale plants that manufacture wood products pressure-treated with chemicals. The plants proposed for Manitoba and Saskatchewan will be the largest in the world.

My question is: Can the Leader of the Government in the Senate ask her colleague whether the government will ensure that any review of the Saskatchewan development also considers the transborder, downstream impact on Manitoba, where water that drains into the Assiniboine River ultimately finds its way?

**Hon. Joyce Fairbairn (Leader of the Government):** I would be pleased to do so, honourable senators.

ORIENTED STRANDBOARD PLANTS—CUMULATIVE EFFECT OF HARVESTING ON BOREAL FORESTS—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, piecemeal, plant-by-plant studies will not give us sufficient warning of the potential harm to this natural resource that extends across several provinces.

Would the honourable minister also inquire whether the government will examine the cumulative impact on our boreal forests of industry plans to harvest it for these and other oriented strandboard plants?

• (1430)

**Hon. Joyce Fairbairn (Leader of the Government):** Again, I would be pleased to do so.

## DEFENCE

REASONS FOR ACQUISITION OF UPHOLDER CLASS SUBMARINES—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, I have a question for the Leader of the Government. Before I ask my

question, I would like to indicate that I am pleased to see that cabinet is looking after former presidents of her party. Michel Robert has been appointed a judge in the Quebec Court of Appeal. Having been a past president of a party, I too qualify for an appointment. I just wanted to let the honourable senator know that.

It appears the government will shortly take a position regarding the acquisition of second-hand British Upholder class submarines, at an expected cost of $800 million. It is interesting to see that the Liberals, now that they are in government, are getting into the submarine business, after they so strenuously opposed previous submarine ventures by the former government.d

Why is the government entering into the acquisition of submarines at this point? Is there a reason for considering this acquisition at this point?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, in the report of the Special Joint Committee on Canada's Defence Policy is a list of equipment necessary to the armed forces, and included in that list are these types of submarines.

The Minister of National Defence, as a follow-up to that committee report, has been looking at the recommendations, and he will bring forward his own recommendations at the appropriate time.

PROTECTION OF ARCTIC SOVEREIGNTY—
GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, I have a supplementary question. The government, in the Red Book, said that they would look at submarines in light of the cause of Arctic sovereignty. However, my information is that these particular submarines are not operable in under-ice conditions. Why is the government making an acquisition of this nature? Having said that Arctic sovereignty will govern their equipment acquisitions, they are now making an acquisition which does not meet this requirement.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the Minister of National Defence, in his review and follow-up to the joint committee report, will be reviewing equipment needs for all the armed forces. He will seek equipment which best supports the needs of the Canadian military, and undoubtedly it will be equipment which covers more than one function. It is no secret that he has been looking into these acquisitions. He will review the operational and cost benefits of each acquisition, and then make his decision in the most efficient and effective way.

LOBBYISTS INVOLVED IN ACQUISITION—
REQUEST FOR PARTICULARS

**Hon. Marcel Prud'homme:** Honourable senators, I have a supplementary question. Are there any lobby firms interested in this "interesting" contract? If so, would the minister provide me with the names of the lobby firms and/or the lobbyists?

[Senator St. Germain]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will look into that question and report back.

ACQUISITION OF NUCLEAR-POWERED SUBMARINES—
GOVERNMENT POSITION

**Hon. Jean-Robert Gauthier:** Honourable senators, I have a supplementary question. Senator St. Germain mentioned that the Liberals had opposed prior purchases of submarines. That is true. Those were nuclear submarines. Would the Leader of the Government confirm that we are not now speaking about nuclear submarines?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the Government of Canada has no intention of purchasing nuclear-powered submarines.

## HUMAN RIGHTS

HIRING BY CANADIAN INTERNATIONAL DEVELOPMENT AGENCY
OF FORMER GUATEMALAN GENERAL AS CONSULTANT—
GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, my question today relates to the human rights record of the government.

During his European tour, the Prime Minister made much about his intention to express Canada's displeasure with Mr. Yeltsin over his government's handling of the Chechen situation. We then read that he stated to President Yeltsin that the slaughter of civilians in Chechnya will not stop Canada from trying to improve trade relations with Russia. We are all aware of the government's position on China.

CIDA has now hired a former Guatemalan general, a known perpetrator of gross human rights violations, who was convicted last month in an American court of masterminding a campaign of murder and torture against the citizens of his country. Former general Hector Gramajo is now an employee of CIDA, honourable senators. The Canadian government's human rights record is slowly falling down.

Why has CIDA hired this man as an advisor to Canada, a man who has offended human rights and dignity throughout his home country?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to take the question of my honourable friend as notice and obtain an answer for him.

## CANADA HEALTH AND SOCIAL TRANSFER

EFFECT ON SPENDING OF PROVINCIAL
GOVERNMENTS—GOVERNMENT POSITION

**Hon. Ethel Cochrane:** Honourable senators, on May 4, the Canadian Teachers' Federation and the Canadian School Boards Association made a joint appearance before the House of Commons Finance Committee to make a presentation concerning Bill C-76. Those associations raised a common concern about the implementation and administration by provincial governments of the funding which will be received under the Canada Health and Social Transfer beginning in 1996-97.

One of the conclusions in their brief was:

> ...strictly enforced health care standards, that are not accompanied by standards established for other social services, would likely accelerate cuts in those areas because of reduced overall federal funding. This would eliminate some social services which currently help to alleviate child poverty, as well as some post-secondary programs and institutions.

I ask the Leader of the Government: Won't the requirement that provincial governments adhere to national health care standards put severe pressure on them to make drastic cuts in expenditures in other areas, such as social services and post-secondary education?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as Senator Cochrane quite rightly points out, the government has been clear in its determination to adhere to the five principles of the Canada Health Act in respect to Medicare in the Health and Social Transfer. As Senator Cochrane will know, the only other part of that transfer which comes bearing a standard is mobility rights under social assistance plan provisions. The other parts, including post-secondary education, have never carried with them standards governing how the provincial governments should spend this transfer money, and perhaps they should have.

I will seek answers from my colleague to the questions raised by the Canadian Teachers' Federation. However, I think that all of us in this house are cognizant of the strong pressures on provincial governments to keep their levels of contribution to post-secondary education assistance and social services at a high level.

• (1440)

## BUDGET IMPLEMENTATION BILL, 1995

FEDERAL-PROVINCIAL NEGOTIATIONS TO ESTABLISH STANDARDS FOR HEALTH AND SOCIAL TRANSFERS

**Hon. Ethel Cochrane:** Honourable senators, I am not sure that that will happen. As a result of us only having national standards for health care, I can hardly imagine that they will be encouraged to retain the present standards for social services and post-secondary education. There will be drastic cuts. From my province alone, millions of dollars will be cut next year.

In any event, honourable senators, I have a supplementary question. The Canadian Teachers' Federation and the Canadian School Boards Association have recommended that the government withdraw the provisions of Bill C-76 concerning the Canada Health and Social Transfer. Instead, they suggest that a new bill incorporating these provisions be introduced after the federal and provincial governments have negotiated an agreement to establish national standards regulating all health and social assistance programs.

Would the Leader of the Government care to comment on that recommendation?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my friend has raised an important point, namely federal-provincial negotiations. As she knows, and as the Minister of Human Resources Development has repeated in the other place, the health and social transfer will be the subject of intensive discussion with the provinces in an effort to arrive at an agreement on mutually beneficial national objectives in the areas where such agreement does not currently exist.

The key here will be the federal-provincial discussions. Until those discussions take place, the allocation of any transfer funds will not be set. As soon as this bill is passed, the minister will be engaged in a series of significant negotiations with the provincial governments.

## CANADA COUNCIL

REDUCTION IN STAFF IN ATLANTIC REGION— EFFECT ON PROGRAMS—GOVERNMENT POSITION

**Hon. Eymard G. Corbin:** Honourable senators, I have a question for the Leader of the Government. There seems to be a disturbing trend in the mission of the Canada Council to reduce the importance of the regions. I will not go into details on that today for, as the honourable leader knows, I intend to launch an inquiry into that and other matters relating to the Canada Council at a later date.

Will the Leader of the Government in the Senate inform us as to the number of representatives of the Canada Council, the number of programs of the Canada Council, and the number of positions that have disappeared over the last three years, or will disappear, in light of the announcement made earlier this week in the so-called Atlantic region — that is, in the provinces of Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland — where there were so few programs, positions and representatives to begin with? Keep in mind that the original funding for the Canada Council was established out of the succession duties of two famous Maritimers.

The reduction of ten jobs at the head office of the Canada Council in Ottawa, or ten jobs in Montreal, or ten jobs in Toronto may have important consequences in terms of the delivery of services and programs offered by the council, but having no jobs in an area such as the Atlantic region is disastrous.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will seek detailed answers to that question.

## BUDGET IMPLEMENTATION BILL, 1995

PROPOSED AMENDMENTS TO REFLECT NATIONAL STANDARDS— REQUEST FOR PARTICULARS

**Hon. Lowell Murray:** Honourable senators, my question is supplementary to that of my colleague Senator Cochrane.

Mr. Martin, the Minister of Finance, indicated a few days ago that the government intends to propose amendments to Bill C-76 to clarify certain aspects of that bill relating to the question of so-called national standards.

Is the Leader of the Government in the Senate in a position to tell us what the gist of those amendments is or when the public might expect to see them?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am not in a position to enlighten my honourable friend. I do know that Mr. Martin's statements were intended to signal that he would be clarifying language in a section of the bill. However, I will look into that matter for my honourable friend.

## DELAYED ANSWER TO ORAL QUESTION

**Hon. B. Alasdair Graham, (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised on May 9, 1995, by the Honourable Senator Forrestall regarding the nuclear non-proliferation treaty.

For those of you who may not know, the final decision-making process is scheduled to begin today, Thursday, May 11. I received this answer yesterday only after the Senate had adjourned for the day, so I called Senator Forrestall and transmitted the answer in advance by facsimile.

I also have three answers to written questions: Number 84 to the Honourable Senator Tkachuk, number 91 to the Honourable Senator Tkachuk, and number 22 to the Honourable Senator Berntson.

## UNITED NATIONS

NUCLEAR NON-PROLIFERATION TREATY—
VOTE ON REAFFIRMATION—GOVERNMENT POSITION

*(Response to question raised by Hon. J. Michael Forrestall on May 9, 1995)*

The NPT Review and Extension Conference in New York is now in its final and most decisive week. The following constitutes the most current information available from our NPT delegation with respect to the progress that is being made towards our goal of indefinite, unconditional extension.

SUMMARY

In the face of a confirmed numerical majority, the inevitability of the indefinite extension of the NPT has now been accepted by even its most irreplaceable opponents. As a result, the focus of the Conference has now shifted to whether an acceptable package of non-binding, subsidiary undertakings on enhancing the NPT review process and a statement of principles can be drafted that would allow for a consensus decision. On Friday, May 5, Canada presented the draft decision on indefinite extension which was co-sponsored by 104 states parties. The final decision making process is scheduled to begin on Thursday, May 11.

CURRENT SITUATION

1. The momentum in favour of indefinite extension now appears to be unstoppable. The question now remaining is how large the eventual majority will be or, indeed, whether the increasingly marginalized hardliners, such as Indonesia, Egypt and Iran, would be prepared to block what could be a consensus decision.

2. The Canadian delegation has been very active on several fronts.

- Canada was requested by the Western and Eastern Groups to introduce the draft decision on indefinite extension and to compile the list of co-sponsors. The resolution was introduced last Friday and contained a list of co-sponsors which numbered 104.

- In Main Committee II, we are vigorously defending supplier controls and advancing practical suggestions with respect to strengthening international safeguards.

- As a Conference Vice-President, we are directly involved in the ongoing efforts of the President to negotiate a consensus decision based on indefinite extension.

- We continue to meet with representatives of the NGO community both to explain the Canadian position on extension and to brief them on Conference developments.

3. South Africa, which announced at the outset of the Conference its unconditional support for the indefinite extension option, is spearheading efforts to gain support for a non-binding, "Declaration of Principles for Nuclear Non-Proliferation and Disarmament." This "Declaration" attempts to address the concerns of a variety of states parties, particularly those for whom the achievement of a strengthened review process will be an important consideration in securing their support for indefinite extension.

4. The Indonesians and Iranians have been attempting to solicit co-sponsors for a draft extension decision based on the original twenty-five year roll-over proposal first advanced by Venezuela. Our information is that this effort has met with little success. In fact, we are told that this draft decision has been formally endorsed by only slightly more than 10 states parties.

5. In contrast to its previous role as a leader of those states parties opposed to indefinite extension, Mexico has now assumed a much lower Conference profile. Our delegation has had several formal sessions with the Mexican delegation, the most recent of which was immediately after the recent Canada-Mexico JMC meetings. While there are areas where cooperation with the Mexicans is possible,

primarily in efforts to strengthen the NPT review process, they remain rhetorically committed to the need for what they call "elements of comfort" before they will consider embracing the indefinite extension option. The Mexican delegation has circulated a draft decision which outlines these "elements of comfort" but which leaves the extension option blank. They have not actively pursued co-sponsors and efforts are now under way to convince them to withdraw this proposal.

6. During the opening week of the Conference some of the radical NAM states pressed for the extension decision to be taken by secret ballot. While this prompted some initial concern among supporters of indefinite extension, this has now dissipated somewhat in the face of the significant and growing level of support for our preferred extension option. At the urging of the Conference President, consultations on this question have been suspended. It is our hope that this debate can be avoided with agreement for a consensus decision.

7. Finally, voting on the extension proposals is currently scheduled to begin on Thursday, May 11.

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

INDUSTRY CANADA—
DETAILS OF BUDGETARY SAVINGS UNDER 1995 BUDGET PLAN

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 84 on the Order Paper—by Senator Tkachuk.

HUMAN RESOURCES DEVELOPMENT—
DETAILS OF BUDGETARY SAVINGS UNDER 1995 BUDGETARY PLAN

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 91 on the Order Paper—by Senator Tkachuk.

NATIONAL DEFENCE—DETAILS CONCERNING STATUS OF AIRBUS

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 22 on the Order Paper—by Senator Berntson.

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# ORDERS OF THE DAY

## LOBBYISTS REGISTRATION ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Landon Pearson** moved the second reading of Bill C-43, to amend the Lobbyists Registration Act and to make related amendments to other Acts.

She said: Honourable senators, I am proud to rise today to speak on a piece of legislation that will help restore public trust in the integrity of Canada: Bill C-43, to amend the Lobbyists Registration Act. I am confident that honourable senators on both sides of this chamber will support this bill.

You may recall that the original Lobbyists Registration Act was introduced by the previous government and came into effect in September 1989. The impetus to improve the act also came in the last Parliament. In its closing weeks, a committee in the other place, chaired by Mr. Felix Holtmann, tabled an all-party, unanimous report recommending a series of amendments to the act that were aimed at more disclosure and more transparency.

This sense of unanimity continued with the Red Book commitment to implement the recommendations of the Holtmann committee, and the former Prime Minister's announcement that her government would also strengthen the Lobbyists Registration Act.

The bill introduced by the current government essentially implements the Holtmann recommendations. It seeks the same basic objective: transparency of the lobby process so that Canadians can have trust in the integrity of their political institutions.

This bill was introduced as part of a comprehensive package of initiatives to restore trust in government. Honourable senators may recall that it was the Prime Minister himself who introduced the package in June of last year.

[*Translation*]

Honourable senators, the first item in this series of initiatives is the revised and strengthened Conflict of Interest Code, which applies to ministers, parliamentary secretaries and senior officials.

As you all know, it was recently proposed in the other place that a joint parliamentary committee be struck, comprising 7 members of this house and 14 members of the other place, in order to elaborate a code of conduct.

This code would help senators and members of Parliament to reconcile their official responsibilities with their personal interests. In particular, this committee would have to come to an agreement with lobbyists during its discussions.

[*English*]

• (1450)

A second element of the package to restore trust involved changes to the government's procurement process. The use of success or contingency fees to reward lobbyists for securing a federal government contract, grant or contribution is now effectively eliminated. A third element of the package of initiatives to restore trust is that the government has appointed an Ethics Counsellor with responsibilities for conflict of interest and lobbying.

Finally, the government introduced the changes to the Lobbyists Registration Act, now before us. The legislation represents a promise to restore trust in the political process, not only in its content but also through the process by which it was passed in the other place.

In the Red Book, the Liberal Party made a commitment to give members of Parliament a greater role in drafting legislation. That commitment has been fulfilled through the committee work which has gone into the legislation before us.

A subcommittee of the House of Commons Standing Committee on Industry studied this bill before it went to second reading. Members from all parties had considerable flexibility and influence in amending the legislation. In the end, the committee made 13 improvements to the bill.

The spirit of openness and flexibility continued as the legislation proceeded to second reading in the other place. The Reform Party proposed that the requirement asking organizations to indicate any government financing they receive be extended to clients of consultant lobbyists and to corporate in-house lobbyists. The government felt that this made a useful improvement to the bill in terms of raising transparency, and the bill was so amended.

The legislation was amended through the committee process and in second reading. However, the fundamental principles of the bill have stayed the same. They are the same principles that guided the Holtmann report in the previous Parliament. The first principle is that all Canadians have a right to approach their government without employing lobbyists. This is a statement of principle we included in the Red Book. The second principle is that even though no one should feel they have to hire a lobbyist to meet with this government, lobbying is a legitimate activity. The third principle is that lobbying must be transparent so that Canadians can have confidence that decisions are based upon merit. The public has a right to know who is attempting to influence government decisions.

The legislation before us draws a distinction between three types of lobbyists. The first type is consultant lobbyists, who work on specific tasks under contract at arm's length on behalf of a client. Unless they file detailed reports of the nature of their client's interests, there can be no transparency regarding their specific activity. The second type of lobbyists is corporate in-house lobbyists; that is, employees of corporations who pursue corporate interests in order to make a profit for their company. The third type is the organization in-house lobbyists; that is, employees of associations or not-for-profit organizations who pursue, over time, the common interests of their members or their target group.

Honourable senators will also be aware that the current law also distinguishes between two levels of lobbyist. Tier I lobbyists are consultants, while Tier II are in-house lobbyists.

The government considered carefully the recommendation of the Holtmann report, that the two tiers be eliminated entirely so that all lobbyists would be obliged to provide the same information. To resolve this question, in 1993 Industry Canada prepared a discussion paper based upon the Holtmann recommendations and sent it to some 175 organizations which would be affected by the changes to the act. These represented more than 50 per cent of registered Tier I and Tier II lobbyists.

The department met with representatives from 45 organizations — Tier I lobbyists, as well as a wide range of organizations represented by Tier II lobbyists, including broad-based business associations, sectoral trade associations, individual companies, organized labour, social action groups and organizations representing the financial and legal sectors. The department also received 75 written briefs.

During these consultations, lobbyists told the government that they agree that lobbying should become more transparent. They accept the need to provide more specific disclosure, and they recognize that information filed under the existing Lobbyists Registration Act is not adequate.

Organization in-house lobbyists also made a strong case that their work is significantly different from that carried on by consultant lobbyists and corporate in-house lobbyists. Organization in-house lobbyists work either for organizations that represent the professional interests of their members, such as La Fédération des communautés francophones et acadienne du Canada, or the interests of specific groups, such as the Native Council of Canada. These lobbyists may also come from advocacy groups who speak out on behalf of children or the handicapped, or other groups of Canadian citizens who, on their own, are relatively powerless. These organizations and associations pursue their objectives on an on-going basis, and their activities are well-publicized. One has only to look at the name of the organization to know the issues in which they are interested.

Honourable senators will know that I have devoted much of my life to voluntary and non-governmental organizations, the kind of associations which are included in the category of organization in-house lobbyists. I firmly believe that the existence of hundreds of not-for-profit organizations, all interacting with legislators and policy makers, is essential to a healthy democracy.

Canada has a long tradition of mutual assistance, partly because people have had to work together to survive and prosper in our harsh but beautiful land. We have hunted and fished together, raised barns together, harvested crops together, and generally helped one another out. That tradition has evolved into volunteering in hospitals and schools, operating food banks, teaching people to read, helping immigrants to settle, raising money for the arts and charities, and assisting the disadvantaged in the developing nations of the Third World, especially children. By some estimates, during the course of a year, Canadian volunteers contribute over 1 billion hours of their time and many millions of their dollars.

Our Canadian tradition of supporting the vulnerable and of giving one another assistance has also evolved into the creation of a multitude of not-for-profit organizations which focus on the concerns of particular groups of Canadians with the aim of speaking up on their behalf to legislators and decision makers. This not-for-profit sector deserves to have its voice heard in the corridors of power in Ottawa, and it does not need more hurdles to jump over or hoops to jump through. I have paid particular attention to Bill C-43 to make sure that this sector would not be unfairly handicapped by it, and I am quite satisfied that it will not.

The bill before us requires organization in-house lobbyists to register retrospective and prospective information semi-annually. This is a reasonable demand when we consider that the lobbying goals of such organizations do not change much over the course of a year. Thus I believe that the requirements in Bill C-43 are not too onerous and can be fulfilled easily by not-for-profit organizations. I have checked with several and they agree.

This is true even though, like consultants and corporate in-house lobbyists, organization in-house lobbyists will have to disclose — in addition to the broad subject-matter of their lobbying activities — the specific legislative proposal, bill resolution, regulation, policy, program, grant, contribution or other financial benefit that they are attempting to influence. This only has to be done twice a year and, in any case, the information typically forms part of their annual planning. For consultant lobbyists, disclosure must also include any contracts for which they are lobbying.

Registration for organization in-house lobbyists would be undertaken by the senior paid officer of the organization and would include the names of employees who lobby. Where corporate in-house lobbyists register the employer's business activities, organization lobbyists would provide a general description of the membership and association activities. If there is no paid officer in a voluntary organization, or if all lobbying efforts on behalf of an organization are undertaken by its volunteers, then no registration is required.

All Tier I and Tier II lobbyists will have to register the name of the departments or other governmental agencies to be contacted, the type of communication techniques they will use and the true beneficiary of their lobbying efforts. For example, a parent company or its subsidiaries which hope to benefit from lobbying efforts, as well as the name of corporate members and organizations of coalitions, will need to be registered.

All lobbyists will benefit from electronic filing which will improve the efficiency of the registration process both for lobbyists and the registrar.

[*Translation*]

Honourable senators, under Bill C-43, consultant lobbyists and in-house corporate lobbyists will be required to report their activities, or any change to such activities, to the registrar, within 30 days. Any change will require the reporting of new information, such as the specific titles of bills tabled.

The legislation also provides that lobbyists will not have to register as regards answers directly relating to a written application for an advisory opinion. The government is aware that this exemption should not be so general as to defeat the spirit of the legislation. This is why the bill gives the registrar the explicit authority to issue interpretation bulletins.

[*English*]

• (1500)

Honourable senators, one more aspect of the legislation before us deserves special attention, the evolving role of the ethics counsellor. You will recall that the position was created by the Prime Minister as part of the original ethics package announced last June. Mr. Howard Wilson has been named to the post.

Under the initial ethics package, the ethics counsellor was responsible for developing a lobbyist's code of conduct. The legislation before us requires the code of conduct to be reviewed by the House of Commons Standing Committee on Industry before it becomes effective. Moreover, as a result of the amendments made in the other place, it will be mandatory for lobbyists to comply with the code. The ethics counsellor is required — not just empowered — to investigate and make a public report on alleged breaches of the code. He will have all the powers of a "superior court of record" when it comes to conducting an investigation. He will be able to summon witnesses and compel them to produce documents. He will draw his own conclusions. The report of his investigation must be tabled in Parliament.

One of the committee's recommendations requires the report of an investigation by the ethics counsellor to include his findings, conclusions and reasons so that there is a full public account. In his report, the ethics counsellor will have the power to publicly disclose information on fees and disbursements associated with any lobbying activity — not just government contracts. The ethics counsellor will also prepare an annual report with regard to his activities on lobbying. All reports must be submitted in their entirety to both Houses of Parliament, and those concerning investigations must provide details on findings, conclusions and reasons. There is no discretion here whatsoever.

Honourable senators, the legislation before us gives teeth to the powers of the ethics counsellor. It makes lobbying more transparent by obliging lobbyists of all types to provide more detailed information about their activities.

At the same time, this bill also strikes a good balance between the rights of Canadians to know who is attempting to influence the government, and the need to preserve a healthy democracy by not restricting access to legislators and policy-makers.

The lobbyists registry provides Canadians with information on who is being paid to lobby on what and for whom. However, we do not want to add to the administrative burden of not-for-profit organizations in order to obtain information for the sake of information. More information is not necessarily better information. We want more meaningful information that is easy to retrieve and understand.

Bill C-43 strikes the appropriate balance, and I sincerely hope that my colleagues will join me in supporting it.

On motion of Senator LeBreton, debate adjourned.

## PRIVILEGES, STANDING RULES AND ORDERS

THIRD REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Senate Committee on Privileges, Standing Rules and Orders, presented on Wednesday, May 10, 1995.

**Hon. Brenda M. Robertson** moved the adoption of the report.

She said: I hope honourable senators will allow me a brief explanation before the motion is put. Your committee has asked me to explain a little to the honourable senators regarding this change in rule.

If you read this supplementation or the replacement for rule 17(1), you will notice that the changes are very small, involving the most effective method of communication and the purpose of the recall.

However, what the committee wanted to bring to your attention was simply this: At the last recall of the chamber, there seemed to be some confusion, perhaps, on the part of the staff who had been instructed to make the recall. Many senators did not receive notice of the recall in time to get here, and that caused some unhappiness. Many of the offices did not receive a notice.

We did not feel, at this point, that it was appropriate to recommend further changes to this rule than what is here, but it should be brought to the attention of the staff in particular that some senators did not have adequate notice in order to attend the Senate at that particular time.

**Hon. Eymard G. Corbin:** Honourable senators, I am surprised that this matter is again before the Senate, although I welcome the report.

This matter was taken up in the Standing Committee of Internal Economy, Budgets and Administration several years ago. The matter was debated and the procedure was agreed to. The gist of it was that when the Senate was recalled, whoever was the messenger had to ensure that the message got to the senator in person, and not left to a child, an employee, a maid or whomever. That worked well for a while.

However, I have also noticed in recent years and months that the agency which is charged with relaying the order, the decision of Your Honour, has not been reaching me directly. The trend of leaving the message with someone at the house or someone at the office has begun to develop again.

I find it regretful that we must again remind people, especially agencies who are paid to get messages out to senators, that they are not following the procedure which was approved by the Internal Economy Committee many years ago. I endorse the comments of the Honourable Senator Robertson. I would certainly appreciate that things be done properly and adequately in the future.

**The Hon. the Speaker:** Honourable senators, is it your pleasure to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

• (1510)

## ONTARIO COURT GENERAL DIVISION

MOTION TO STRIKE SPECIAL COMMITTEE TO EXAMINE AND REPORT UPON THE CONDUCT AND BEHAVIOUR OF CERTAIN OFFICES AND JUSTICES— POINT OF ORDER—DEBATE CONCLUDED

The Senate proceeded to consideration of the motion of the Honourable Senator Cools, seconded by the Honourable Senator Carstairs:

That a Special Committee of the Senate be constituted to examine and report upon the conduct and behaviour of certain justices and barristers of the Ontario Court of Justice (General Division), raised by the Honourable Senator Cools in her speeches on Parliamentary Privilege in the Senate in terms of:

(i) failing to take judicial notice of the Law of Parliamentary Privilege, the Constitution of Canada, and the laws of Canada pertaining to the Senate;

(ii) failing to uphold and enforce the said laws, and the immunities and privileges of the Senate;

(iii) interfering with and frustrating the enjoyment and exercise of the said laws, immunities, and privileges;

(iv) inducing failure to observe and comply with the said laws, immunities, and privileges;

(v) impeaching proceedings in Parliament;

(vi) threatening sanctions on the vindication of the said laws, immunities, and privileges;

(vii) their conduct and behaviour generally relating to, the Law of Parliamentary Privilege, the Constitution of Canada, the independence of the judiciary, constitutional comity, the dignity of the Senate, and the due administration of justice;

That the Committee be further empowered to consider and report upon related matters which may concern the privileges of the Senate;

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee be composed of seven members, four of whom shall constitute a quorum; and

That the Committee of Selection be instructed to decide and report upon the membership of the Special Committee. — (*Debate on the Point of Order—Honourable Senator Cools*)

**The Hon. the Speaker:** Honourable senators, before Senator Cools proceeds, I should like to remind all honourable senators that the debate is on the point of order raised by Senator Robertson. Specifically, it reads:

> First, whether this motion is properly worded; and second, whether, in the interests of parliamentary decorum, it is appropriate for the Senate to debate the conduct and behaviour of certain judges and other officers of the court who are not identified in the motion and whom our parliamentary authorities traditionally refer to as "protected persons."

I ask all honourable senators to address strictly the point of order and to avoid discussing the body of the motion. I hope that all honourable senators will stay within those bounds.

**Hon. Anne C. Cools:** Honourable senators, I propose to carry on exactly from where I left off yesterday.

Historically, Parliament has been preoccupied with intrusion by the courts.

In 1843, Lord John Russell, reciting the famous 1837 U.K. Commons resolution upholding Parliament's Privileges said:

> That by the law and privilege of Parliament, this House has the sole and exclusive jurisdiction to determine upon the existence and extent of its privileges, and that the institution or prosecution of any action, suit or other proceeding, for the purpose of bringing them into discussion or decision before any court or tribunal elsewhere than in Parliament, is a high breach of such privilege, and renders all parties concerned therein amenable to its just displeasure, and to the punishment consequent thereon.

Another famous 1837 U.K. Commons resolution read:

> ...That for any court or tribunal to assume to decide upon matters of Privilege inconsistent with the determination of either House of Parliament thereon, is contrary to the Law of Parliament, and is a breach and contempt of the Privileges of Parliament.

Honourable senators, these celebrated resolutions passed in response to actions of the courts.

In 1843, the U.K Attorney-General, Sir Frederick Pollock, urged Parliament that:

> ...whenever it was necessary to resent any injury done to its privileges, to assert them... that the House of Commons, possessing this power within itself, should not adapt its conduct to that of the courts...

In 1843, U.K. Prime Minister Sir Robert Peel declared that:

> ...the constitution places us as a controlling power over the courts of law. The functions which, in this respect, we may have to discharge, and have a right to discharge, must naturally attract the jealousy of the courts of law.

Parliamentary debates reveal that every government in its turn will shrink from the difficulty and responsibility of maintaining the true station and authority of Parliament. They inform that there would be no ground for shrinking from the performance of our duty.

POINT OF ORDER

**Hon. Lowell Murray:** I beg the honourable senator's pardon. I am sorry to have to intervene on a point of order.

Honourable senators, what we are hearing, interesting as it is, is a speech on the substance of our friend's motion. I do not think the Speaker's admonition to honourable senators to address themselves to the two points raised in Senator Robertson's point of order is being followed. We are well away from the point of order raised by our colleague.

**The Hon. the Speaker:** Honourable senators, unfortunately, I cannot accept another point of order at this stage because we are debating a point of order. There cannot be a point of order to a point of order.

However, I note the comments of Senator Murray and would ask the Honourable Senator Cools to please take note of them.

**Senator Cools:** I have taken note, honourable senators, and wish to make it quite clear that I am speaking expressly to the point of order Senator Robertson raised.

During a famous debate on this issue of parliamentary decorum to do with judges, U.K. Prime Minister Campbell-Bannerman said:

> But the Judges have the respect of the country because, and insofar as, they respect themselves. When a Judge whose proper function it is to try a case steps down into the lower sphere, and assumes the right to use the position which he occupies and the advantage he possesses of not being answered...he is as open to our criticism as any man in the street. If we think any Judge by such conduct is lowering the dignity of the Bench and is introducing other evils also, it is our duty to express our reprobation of such conduct.

Most debates have been firm that both Houses of Parliament have a controlling power over the judges of the land. Many debates record that this controlling power had been expounded by no fewer than four U.K. prime ministers — Sir Robert Peel in 1843, Lord Palmerston in 1856, Mr. Gladstone in 1872, and Sir Campbell-Bannerman in 1906.

Honourable senators, my motion is straightforward and in order: to examine and to inquire. Constitutionally, a Senate committee has no power to do more than investigate and report its conclusions to the Senate, by whom it is appointed — the intent of my motion.

In a petition to the Lords in 1828 on behalf of Sir Jonah Barrington, the only judge removed by address of Parliament, legal counsel, Lord Denman, who later became Chief Justice, said:

> ... The Petitioner humbly suggests, that there are Four distinct Modes of Procedure applicable to the Case of a Judge holding his Office by Patent, during good Behaviour; first, in Cases of Misconduct not extending to legal Misdemeanour, the appropriate Course appears to be by *Scire facias* to repeal his Patent, "Good Behaviour" being the Condition precedent of the Judges Tenure; secondly, when the Conduct amounts to what a Court might consider a Misdemeanour, then by Information; thirdly, if it amounts to actual Crime, then by Impeachment; fourthly —

This is the point I am raising.

> — and in all Cases, by the joint Exercise of the inquisitorial and judicial Jurisdiction of the House of Lords...

It is our inquisitorial powers in the form of a study by a Senate committee that is the intention of my motion. This committee would afford the individuals involved full and sufficient opportunity to meet the accusations.

Honourable senators, we have a situation where an honourable justice and barristers of the Courts of Ontario are under accusation from a senator regarding conducting improper, vitiated, and unconstitutional court proceedings. These honourable justices and barristers are under, at least, a suspicion of breaches of the law of privilege and contempt of Parliament and impeachment of proceedings in Parliament. They are under, at least, a complaint of an offence against Parliament. Such offences undermine the honour and the credit of the courts and the administration of justice. An honourable justice is under, at least, a complaint that he did something to distort and pervert the course of justice.

Parliament has a duty to examine the complaints in a committee appointed for this purpose. This impropriety is of a constitutional nature and one of contempt of Parliament, lowering the dignity of Parliament.

Honourable senators, the practices regarding judges in Parliament do not anticipate that any honourable justice will, flagrantly and willingly, commit a contempt of Parliament. Parliament expects judges to uphold and observe the law and to proceed as the law directs. Consequently, Parliament, in regards to offences and contempt against Parliament, is bound in its investigation of same, only by those limitations imposed by itself and the Constitution.

Honourable senators, on November 16, 1994, the Speaker of the Senate, Senator LeBlanc, stated that my questions are important. The Speaker proposed that the Senate consider intervening in the court case, as in the Donohoe case, saying:

> The Senate's... interests may well be served by an intervention to speak to the limited issue of the Senate's right as an institution...

Our Constitution invests Parliament with the guardianship of the bench and the administration of justice. To suggest otherwise is to confound and distort. Public confidence in the administration of justice requires the moral and intellectual integrity of honourable justices, courts and barristers, and demands that they proceed as the law directs. Independence of the judiciary is important. When honourable justices abandon judicial ground and tread onto political ground; when an honourable justice commits a judicial excess or abuse of power; when an honourable justice rules on Parliamentary Privilege; when false accusations are made under oath in judicial proceedings without judicial censure, independence of the judiciary and judicial decorum requires that Parliament's powers be invoked.

• (1520)

There are extant several court orders and judgments written by Mr. Justice Matlow. These, without parliamentary action, will form precedents in case law. That that judicial power and the courts were enlisted to interfere with the performance of a senator's functions is an offence against Parliament and against justice itself.

After careful study on this matter of parliamentary privilege and of inquiries concerning judges by Parliament, I proposed my motion in the form that my study instructed was the most fitting to the issues, the principles, the persons, the offices, and the institution.

A great Canadian jurist and politician, probably the most able jurist who has ever served in the Parliament of Canada, Edward Blake, former Minister of Justice, during debate concerning a judge in 1883, said:

> There is no function of ours of higher importance or greater consequence to the public weal than the function that we hold of enquiring into or censuring, or dealing with the conduct of the Judiciary.

Edward Blake continued:

> ... What was the cause ... which could properly bring this Judge's action under our consideration? It was ... not that the Judge erred, for all may err in judgment, but that he

> degraded his office, betrayed his trust, wilfully and knowingly did a wrong thing, perverted justice and judgment ...

Honourable senators, we must vindicate our privileges, and we must insist on the independence of the judiciary and the judiciary's non-interference in Parliament. This motion is in order in a parliamentary sense, and it is perfectly consistent with the historical treatment of this subject-matter.

Honourable senators, I will close by referring to Speaker Molgat's remarks that it is important that we speak only to the issue of the point of order. We should be diligent and vigilant that we do not use this opportunity to speak against the motion under the camouflage of a point of order.

[*Translation*]

**Hon. Normand Grimard:** Honourable senators, following the point of order raised by Senator Robertson, I would like to say a few words in particular on parliamentary jurisprudence.

In her point of order, Senator Robertson says the following:

> It would seem to me that, before proceeding to decide whether the conduct and behaviour of certain justices and barristers should be examined, the Senate must first establish whether there was indeed a *bona fide* question of privilege raised by Senator Cools in her speeches on parliamentary privilege.

I listened to what she said. Obviously, she carried out a very in-depth study of the issue. She quotes from the Resolutions of 1906, 1837, 1843 and even the Act of Settlement of 1701.

Nevertheless, I would like to reference some more recent examples. I would first like to refer the senator to what Joseph Maingot, an eminent specialist on procedure, had to say on the matter. In fact, he is the only one ever to have written a complete volume on the subject. Section 4, page 164, of the French version reads as follows:

> Un député ou un sénateur peut-être poursuivi en tout temps à titre personnel et ne peut donc pas obtenir le renvoi d'une action civile.

In legal language, the term "renvoi" means "adjournment" or "postponement." In addition, the English version of Maingot's text is unequivocal.

[*English*]

> A member of the Senate or House of Commons may at any time be sued in his personal capacity, and thus may not postpone a civil action.

[*Translation*]

Maingot refers to the case of *Pelletier v. Howard*, which is particularly interesting. It was heard by the Superior Court in Sherbrooke and is reported at 43 Que. P.R. 258. In the case of Mr. Pelletier's suit against Senator Howard of Sherbrooke, Mr. Justice White said the following, which is a summary:

[*English*]

> The Court having heard the parties on the merits of defendant's petition to have proceedings in the case stayed until twenty days after the prorogation of Parliament, and having deliberated:
>
> Considering that Chapter 147 of the Revised Statutes of Canada, section 4 provides:
>
> > The Senate and the House of Commons respectively and the members thereof respectively, shall hold, enjoy and exercise such and the like privileges, immunities and powers as, at the time of the passing of the British North America Act 1867, were held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom:
>
> Considering that these privileges do not apply to mere civil actions in which there is no question of arrest of the Member of Parliament.

[*Translation*]

That is why the judge decided that a member of the Senate who was involved in a civil suit could not ask for an adjournment of the case. From the proceedings it is clear that Senator Howard had drafted a motion requesting that the suit be adjourned for up to 20 days after Parliament was prorogued.

Honourable senators, I think this judgment is important because, as Senator Robertson said, before deciding whether the conduct and behaviour of certain justices and barristers should be examined, we must first establish whether there was indeed a *bona fide* question of privilege raised by Senator Cools in her speeches on parliamentary privilege.

I think we should realize there is a big difference between the precedent I just described and the position of Senator Cools, who, in her case, was the plaintiff. I think that courts of justice in all provinces also make a significant difference between plaintiffs and defendants.

I would also draw the attention of honourable senators to Maingot at page 134:

> While service of a subpoena upon a member of either House of Parliament could be considered as a breach of privilege, "it is doubtful, however, whether under present usage the actual service would be so treated unless affected within the precincts of the House while the House was sitting."

Honourable senators, it would be useful to refer to a number of citations in Beauchesne, because I do not want to prolong the debate. I would refer you to page 128, and more specifically section 91; to the 21st edition published in 1989, at pages 100 and following. And finally, to Odgers' treatise entitled, *Australian Senate Practice*, 6th edition, at page 1012.

This may seem somewhat dry, although perhaps Senator Beaudoin will appreciate the legal references. I believe that the point of order raised by Senator Robertson is well founded.

I would like to add that there have been only two cases in the entire history of the Senate where a senator has asked the Committee on Privileges, Standing Rules and Orders to intervene. The first time was in 1904, while the second case was in 1993 when we examined the case of Senator Carney. In other words, before ruling on such cases we must be extremely prudent.

Thus far, only two senators have ever asked the Committee on Privileges, Standing Rules and Orders to intervene, which means that this only happens in exceptional cases. I do not think that the case made by Senator Cools in her presentation and her notice of motion should be dealt with in the way she sees fit.

**The Hon. the Speaker:** If no other senators wish to speak, I will take the notices I have received under advisement and report on the point of order at a later date, as soon as possible.

## THE SENATE

### IMPACT OF DECISION OF HOUSE OF COMMONS TO CEASE PUBLICATION OF COMMITTEE PROCEEDINGS—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Gauthier, calling the attention of the Senate to the decision of the other place concerning the publication of committee issues and its serious impact on the Senate and House of Commons joint committees' proceedings and whether the decision is in accordance with the constitutional requirements of section 133 of the Constitutional Act, 1867. — *(Honourable Senator Beaudoin).*

**The Hon. Gérald-A. Beaudoin:** Honourable senators, I am pleased to participate in the debate on the inquiry of my colleague Senator Jean-Robert Gauthier concerning the decision made by the Board of Internal Economy of the House of Commons regarding the translation and printing of the proceedings of parliamentary committees. Let me remind you that, on a trial basis, the Board of Internal Economy of the House of Commons decided to cease reviewing, translating and printing parliamentary committee proceedings. The transcription of debates will only be published in the language the statements were made before the committees. This will become the only official version. The transcription of the simultaneous interpretation of presentations will be published, on request. However, this transcription will not be considered official. It appears to me that this policy contravenes section 133 of the Constitution, subsection 18(1) of the Canadian Charter of Rights and Freedoms of 1982, which is part of Canada's Constitution and, lastly, subsection 4(3) and section 5 of the Official Languages Act.

Section 133 stipulates that in Quebec's legislature and the Parliament of Canada, either the English or the French language may be used and that both those languages shall be used in the respective records and journals of those Houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada. Lastly, this section makes it mandatory for the Quebec and the federal governments to print and publish all acts in both English and French.

Subsection 18(1) of the 1982 Canadian Charter reads as follows:

> 18(1) The statutes, records and journals of Parliament shall be printed and published in English and French and both language versions are equally authoritative.

Subsection 4(3) of the Official Languages Act, which is not part of the Constitution, but which is quasi-constitutional legislation, I would say, organic legislation, provides that:

> 4(3) Everything reported in official reports of debates or other proceedings of Parliament shall be reported in the official language in which it was said and a translation thereof into the other official language shall be included therewith.

It is very clear.

Section 5 of the Official Languages Act provides that:

> 5. The journals and other records of Parliament shall be made and kept, and shall be printed and published in both official languages.

On the whole, the case law of the Supreme Court of Canada on section 133 of the Constitution Act, 1867 has been generous — as should be the case.

At page 182 of the decision in the famous matter of *Jones*, 2 S.C.R. 1975, the Supreme Court of Canada considered section 133 a constitutional guarantee. The federal Parliament could not contravene the provisions of this section. Nothing prevented it from going beyond these provisions, which set out the minimum standard, and according more. Section 133 provides a constitutional right to use one or the other language in the areas and locations set out in section 133.

The Parliament of Canada recognized the same statutory rights after 1867. In 1968, mindful of the Constitution's considerable deficiencies with respect to official languages, Parliament passed the Official Languages Act. Section 2 of the act puts French and English on an equal footing in all institutions under the jurisdiction of the government and the Parliament of Canada. Both languages enjoy equal rights and privileges with respect to their use in the institutions of Parliament and the Government of Canada.

In the *Thorson* decision, Chief Justice Bora Laskin, speaking on behalf of the majority, commented as follows on the scope of the Official Languages Act:

> It is both declaratory and binding with respect to the use of French and English by and within federal bodies and agencies, including the courts, and as regards the provision of services to the public by means of communications in both languages by these bodies and agencies, in the National

> Capital region, or at their main office or headquarters in Canada or in each of their main offices within a federal bilingual district as defined under the act.

Subsection 18(1) of the Canadian Charter of Rights and Freedoms has yet to become the subject of a decision by the Supreme Court of Canada, however, it does complete and clarify section 133 of the Constitution Act, 1867.

We should point out that one cannot separate the proceedings of Parliament and the proceedings of parliamentary committees for the purposes of making only the former subject to the provisions of section 133 of the Constitution, subsection 18(1) of the Canadian Charter of Rights and Freedoms and subsection 4(3) and section 5 of the Official Languages Act. As Joseph Maingot reminds us at page 40 of his book *Parliamentary Privilege in Canada:*

> A committee of either House of Parliament is an arm of the House because it derives its existence and its authority from the House.

Similarly, we must remind the authorities concerned of the principle developed by the Supreme Court of Canada in the decision *Sinclair vs. Quebec* (P.G). [1992] 1 S.C.R. 579, at page 593:

> The requirements of s. 133 cannot be circumvented by the disingenious division of the legislative process into a series of discrete steps, and then claiming that each of these steps, when examined in isolation, lacks a legislative character.

Honourable senators, I must conclude that the decision of the Board of Internal Economy of the House of Commons of Canada to discontinue the editing, translation and printing of the proceedings of parliamentary committees is unconstitutional, considering section 133 of the Constitution, subsection 18(1) of the Charter, which, I repeat, is part of the Constitution, and subsection 4(3) and section 5 of the Official Languages Act.

One cannot justify on financial grounds a decision that is clearly unconstitutional. We earnestly hope that the Board of Internal Economy of the House of Commons will restore the *status quo* in this area. We must conform to the letter and the intent of the Constitution and the Official Languages Act of Canada.

In closing, I would also draw attention to the fact that Senator Gauthier, in his motion, requested that the matter be referred to the Standing Committee on Internal Economy, Budgets and Administration or some other committee.

At the risk of appearing prejudiced, I think that, since the problem is a legal and constitutional one, it should be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

I say right off that I will be accused of being prejudiced, but one thing is certain, this problem should not be referred to the Standing Committee on Internal Economy, Budgets and Administration. To my mind, this is not about saving $1 million. The issue is very simple: Is this measure constitutional, is it legal?

[*English*]

• (1540)

**Hon. John B. Stewart:** Honourable senators, I listened to Senator Beaudoin's learned speech. I must say that I found it quite convincing; so convincing, in fact, that, read together with Senator Gauthier's speech, I conclude there is little point in sending the question itself to a committee. It is almost what could be called an open-and-shut case, as far as the law is concerned.

However, I go beyond that. I am assuming that what the Honourable Senators Gauthier and Beaudoin have said is correct. Thus, I come to a practical question, which is raised by Senator Gauthier in his Notice of Inquiry, wherein he referred to the decision of the other place and:

> — its serious impact on the Senate and House of Commons joint committees' proceedings —

Does Senator Beaudoin imply, or even state, that it would be improper, illegal and unconstitutional for the Senate and its committees to participate in the work of joint committees if those joint committees conform to the newly adopted practice of the House of Commons?

**Senator Beaudoin:** The Parliament of Canada is composed of two Houses which are independent of each another. However, both are subject to the same Constitution. Obviously, this house will not do what the other house is doing. In that sense, then, we comply with the Constitution of Canada.

The question is: Should we refuse to participate in a joint parliamentary committee because the other house is not complying with some provisions of the Constitution of Canada? That is a difficult question because there is only one legislative process at the federal level: it is Parliament.

There is nothing more bilingual in this country than the laws and the legislative process. Of course, trials before the federal courts and at the provincial levels in Quebec, New Brunswick and Manitoba are also bilingual.

I am not ready to say that we may refuse to participate in joint committees. However, we are on very solid ground when we try to impose on the other house respect for our Constitution, which is the heart of the legislative process.

Honourable senators, I will not go further than that today because I am a little surprised by the honourable senator's question. It is a good one, about which I will certainly think. If I am allowed, I should like to reply to it in the week after next.

[*Translation*]

**Hon. Jean-Robert Gauthier:** Honourable senators, I have a question for my friend and colleague Senator Beaudoin.

I proposed that this matter be referred to the Standing Committee on Privileges, Standing Rules and Orders because this committee already has a subcommittee dealing with the other place on a related issue, namely the rules governing special joint committees which, as you know, do not have specific rules.

There is still a question as to which rules apply: those of the House of Commons or those of the Senate? We have two clerks, and it is not exactly clear which set of regulations should apply. A subcommittee is currently dealing with this issue.

To get back to the matter at hand, that is, committee issues, I am happy to hear Senator Beaudoin say that committees are creations of Parliament and are therefore part of the parliamentary system.

Legal advisers have told us that committees are not part of Parliament. I am happy to hear one of my good friends, a great jurist, tell us that they are in fact part of the parliamentary system.

The House of Commons administration has already entered into negotiations with the Senate administration. The clerks of the two Houses have met and exchanged notes and suggestions.

The House of Commons has already suggested, through its administration, that the Senate take over the editing, translation, transcription and printing of joint House of Commons and Senate committee issues.

Hence, the House of Commons recognizes that there is an obligation and that it may have erred by not consulting the Senate on this issue. I think that the House of Commons has made a serious mistake in reaching a unilateral decision without consulting the Senate. In my opinion, by doing this, we have destroyed what has kept this country united that is, institutional parliamentary bilingualism, which allowed all Canadians to understand and communicate with one another in either of the two official languages in this country.

My question for Senator Beaudoin is this: Given that the management of the House of Commons and that of the Senate are presently negotiating formal or informal agreements providing that the Senate pay 30 per cent of the cost and the House of Commons the other 70 per cent, does he not think — he told me that it was certainly a good thing for committees to continue their work — that we should settle this matter as soon as possible among senators and members of Parliament, instead of waiting for it to be dealt with at the administrative level and then come back to us?

**Senator Beaudoin:** I certainly do not object to referring the matter to a subcommittee or a committee which is already dealing with the relationship between the two Houses of Parliament.

What I would not want to happen is for the matter to be settled at the administrative level if that is not where the problem lies. I cannot conceive, or even think of a legal expert who would not agree with what was just said. It is so obvious.

Canada entrenched bilingualism for the legislative process in the 1867 Constitution. In 1982, realizing that there was room for improvement, it entrenched it in section 18 of the Canadian charter. New Brunswick has set an amazing example for the other provinces by also entrenching legislative bilingualism. In Quebec, it existed from the start. It existed in Manitoba as well. A Manitoba act was ruled to be *ultra vires* by the Supreme Court 89 years after being enacted. I figure that there is certainly nothing in the Canadian Constitution more bilingual than the legislative process, legislation and the courts. There is nothing more bilingual than that.

I have no objection to settling the matter elsewhere, but I was prepared to have it referred to the Standing Senate Committee on Legal and Constitutional Affairs as, perhaps for the first time, not one expert could be found to disagree with this principle. This is rather unusual when dealing with legal or other matters. We could not find a single one, even if we tried!

Let us refer the issue to that committee. You can be sure that if the answer is not absolutely positive, I will resume the debate. This time, we will refer the matter to the Standing Senate Committee on Legal and Constitutional Affairs, and we will receive a report that the decision is *ultra vires*.

**Senator Gauthier:** I have a supplementary.

I readily accept Senator Beaudoin's proposal to the effect that this is a constitutional matter and that it should be referred to that committee. However, we are told that the Standing Senate Committee on Legal and Constitutional Affairs is overworked and that it could take several months before it can review the matter.

This is why I am hesitant. Indeed, this is a timely matter, and I would like a decision to be made as quickly as possible. The committee has to look at some important constitutional issues. However, there are also other issues, and I should like to mention a few.

Does the word "translation" mean "interpretation"? Do these two terms have the same meaning? We often use the expression "simultaneous interpretation." That is not the same as "translation." We should perhaps define the term "translation."

Do the words "committee proceedings" — I asked the question earlier — mean that the section refers to committee proceedings as well as to testimony? I think so, but it seems that we should get a clear and definite answer.

Is the House of Commons avoiding its obligations regarding official languages and the Senate by not publishing the proceedings of its committees?

I think that you are absolutely right, Senator Beaudoin, in saying that the Senate and the House of Commons both have an obligation to continue to print committee issues.

The House of Commons will have a system called "Pubnet" will give access to these transcriptions via a computer terminal. The Senate is not hooked up to Pubnet. We in the Senate will not

be able to read and keep up with what is going on in the House of Commons. We will not know what is happening in the committees. These committee issues are very important to senators. Without them, we will be reinventing the wheel! Every time we examine a new bill, we will have to start hearing witnesses all over again. I think that what witnesses say before the committees of the House of Commons are a source of inspiration for the Senate.

Does Senator Beaudoin not agree that committee issues are used in the work of the Senate and that, if we cannot access them on the House of Commons's Pubnet system, we senators will be ill-equipped to defend ourselves?

**Senator Beaudoin:** I am working from a principle that all jurists accept, which is that the committees of the Senate and of the House of Commons are part of Parliament. Senate committees should be as bilingual as those of the House of Commons. Nobody disagrees with that!

They say that committee proceedings can be reproduced on the Internet, on any computer screen. That cannot be! It is as if you were to say to me that Canada's laws would only be available on the Internet! The Supreme Court would quash that in 10 minutes. Not everyone has access to the Internet. Not everyone has access to a computer.

Just as the laws must be printed and published in both official languages, because of section 18 of the Charter and the Official Languages Act, committee reports must also be printed and published in both official languages.

If you ask me, there is no getting out of this. In any case, I would very much like to see a Supreme Court ruling that would say the opposite.

On motion of Senator Corbin, debate adjourned.

[*English*]

• (1550)

## TRANSPORT AND COMMUNICATIONS

### COMMITTEE AUTHORIZED TO PERMIT ELECTRONIC COVERAGE OF PROCEEDINGS

**Hon. Donald H. Oliver**, pursuant to notice of Wednesday, May 10, 1995, moved:

> That the Senate do empower the Standing Senate Committee on Transport and Communications to permit coverage by the electronic media of its public meetings with respect to the examination of the proposed orders issuing directions to the CRTC on direct-to-home satellite distribution undertakings, with the least possible disruption of the hearings.

He said: Honourable senators, the motion for the Standing Senate Committee on Transport and Communications to broadcast its proceedings with regard to its examination of the proposed orders issuing directions to the CRTC on direct-to-home satellite distribution undertakings falls within the general framework of the Senate's oft-stated desire to make the work of Senate committees better known.

• (1600)

There are numerous precedents of Senate committees broadcasting proceedings: During this session of Parliament, the Standing Senate Committee on Banking, Trade and Commerce and the Special Joint Committees on Reviewing Canada's Foreign Policy and on Canada's Defence Policy have done so. Our own committee televised its meetings with the Minister of Industry, the Honourable John Manley, on December 7, 1994 and with the Minister of Heritage, the Honourable Michel Dupuy, on February 15, 1995.

In this particular instance, there is a great deal of public and media interest on the issue of direct-to-home satellite distribution. We held our first meeting on this subject yesterday with the Assistant Deputy Ministers of both Industry Canada and Heritage Canada involved. We intend to invite a number of other witnesses before the committee from industry and from the public sector.

We are, in fact, in a position to hold a number of hearings on the proposed orders in the next few weeks before the Canadian Heritage Committee of the House of Commons does so in mid-June. This will undoubtedly heighten interest in the work of our committee and the testimony it will receive.

Honourable senators, the broadcasting of the proceedings of the Standing Senate Committee on Transport and Communications will afford an opportunity for the Senate to render more visible some of the excellent work done in Senate committees. Therefore, I move the adoption of the motion.

**The Hon. the Speaker:** Honourable senators, it was moved by the Honourable Senator Oliver, seconded by the Honourable Senator MacDonald:

> That the Senate do empower the Standing Senate Committee on Transport and Communications to permit coverage by the electronic media of its public meetings with respect to the examination of the proposed orders issuing directions to the CRTC on direct-to-home satellite distribution undertakings, with the least possible disruption of the hearings.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Eymard G. Corbin:** Honourable senators, I have a question for Senator Oliver. Will the broadcasting of the proceedings be direct in terms of immediate transmission, or is it proposed that the proceedings would be retransmitted later that day or on the weekend? We often see that type of program being broadcast sometimes days after the event takes place. Do you have information to that effect?

**Senator Oliver:** I thank the honourable senator for his question. I do not have direct information on his question, but the cable Parliamentary channel called CPAC carries out the broadcast for us at no cost. Sometimes it is direct, and sometimes it is rebroadcast. We do not know whether they will be available to do it each and every day we have a hearing, but the request is that it be done whenever they are available to do it.

**The Hon. the Speaker:** It is your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

The Senate adjourned until Tuesday, May 23, 1995, at 8:00 p.m.

# THE SENATE

**Tuesday, May 23, 1995**

The Senate met at 8:00 p.m., the Speaker in the Chair.

Prayers.

## SENATOR'S STATEMENT

### WINNIPEG

CONGRATULATIONS ON EFFORTS TO RETAIN JETS HOCKEY TEAM

**Hon. Terry Stratton:** Honourable senators, I rise today to speak about community spirit, and in particular that emanating from the heartland of Canada, being Manitoba and Winnipeg.

The events that occurred recently in Manitoba, and particularly in Winnipeg, with regard to the retention of our NHL hockey team, the Winnipeg Jets, tell a remarkable story about the efforts of thousands of individuals, from corporate leaders down to the grassroots. The story is mainly about the ordinary citizens of our province who raised close to $13 million in small contributions for this purpose, from the child contributing from his piggybank on up.

Allan Fotheringham, in his recent article in *Maclean's*, called Winnipeg a city of survivors. We survive winter, we survive mosquitoes, and we will survive in the NHL, thanks to these citizens of the heartland.

By the way, our other wonderful community-based organizations, such as our ballet, our symphony and our football team, will also continue to thrive.

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## ROUTINE PROCEEDINGS

### ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, May 24, 1995, at 1:00 p.m..

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

### VETERANS REVIEW AND APPEAL BOARD BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-67, to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other Acts and to repeal the Veterans Appeal Board Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

### JOINT PARLIAMENTARY DELEGATION TO BRAZIL

REPORT TABLED

**Hon. H.A. Olson:** Honourable senators, I wish to table the report of the Joint Parliamentary Delegation of the Senate and the House of Commons on its official visit to Brazil from April 15 to 21, 1995.

### NORTH ATLANTIC ASSEMBLY

SIXTH REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION TABLED

**Hon. Earl A. Hastings:** Honourable senators, I have the honour to table the sixth report of the Canadian NATO Parliamentary Association of the Standing Committee meeting of the North Atlantic Assembly (NATO Parliamentarians), held in Marmaris, Turkey on April 8, 9 and 10, 1995.

### EUTHANASIA AND ASSISTED SUICIDE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Hon. Joan Neiman,** with leave of the Senate and notwithstanding rule 58(1)(*a*), moved:

> That the Special Senate Committee on Euthanasia and Assisted Suicide have power to sit at 8:30 p.m. tonight, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## JOINT PARLIAMENTARY DELEGATION TO BRAZIL

OFFICIAL VISIT—NOTICE OF INQUIRY

**Hon. H.A. Olson:** Honourable senators, I give notice that on Thursday, May 25, 1995, I will call the attention of the Senate to the official visit to Brazil of the Joint Parliamentary Delegation of the Senate and the House of Commons from April 15 to 21, 1995.

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# QUESTION PERIOD

## TRANSPORT

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—CANADA-NOVA SCOTIA AGREEMENT—DIVERSION OF FUNDS TO CAPE BRETON PROJECT—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, I ask you to revisit with me for a moment the reprehensible and somewhat dangerous precedent-setting act of diverting funds under a Canada-Nova Scotia highway agreement from its purpose, which is the development of safe highways, to the much narrower objective of paving some trails in Cape Breton, as much as I love that part of our province.

• (2010)

Honourable senators, the Minister of Transport has stated twice that this decision to divert funds was made solely by Nova Scotia's provincial government. I ask the Leader of the Government in the Senate: Is that in fact the case? If she does not know, could she find the answer for me?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank the honourable senator for his question. He has undoubtedly reviewed the answers of the Minister of Transport in the House of Commons in which he has stated, on more than one occasion, that under this program the responsibility for highways lies with provincial governments, and, indeed, the reallocation of funds is made on the advice of the provincial government to the federal government.

The Minister of Transport has mentioned on one occasion that, by consensus, funds for highway construction can be reallocated. This procedure has been followed in a number of provinces on the initiative of the respective provincial government. That has been my colleague's response to such questions.

In Nova Scotia, a large percentage of the money spent has been spent on Highway 104.

**Senator Forrestall:** Honourable senators, I have a copy of the agreement in my hand. Without quoting from it extensively, I should like to reassure the Leader of the Government in the Senate that, under the terms of the agreement, both federal and provincial governments must agree before there can be a diversion of funds. Deliberate action must be taken by both levels of government.

Clearly, what the minister has done is at odds with the agreement. Apart from looking for some justification — we can always find justification for doing whatever we want — I suggest that the Leader of the Government consider the precedent that is being set here. I ask that she bring the question of this precedent and the danger it creates to the attention of her colleagues in government.

If toll highways are established on the Trans-Canada Highway in Nova Scotia, what is to prevent British Columbia, Quebec or Ontario from setting up toll highways? Does Bob Rae want toll roads? Will the honourable senator's colleagues, if elected to govern in other provinces, want toll roads?

It is a dangerous, precedent-setting decision. It is important to the people in the communities of Nova Scotia who are concerned with the number of deaths on their highways. People who move from one part of their community to another will have to pay tolls. That is bad enough, but what will happen if someone thinks that this is a great idea and wants to turn the Trans-Canada Highway into a toll road? Was that the original intention?

**Senator Fairbairn:** Honourable senators, without commenting one way or the other on the honourable senator's suggestions, I would be pleased to take his further questions to my colleagues, particularly on the notion of setting a precedent that might affect provinces across the country.

**Senator Forrestall:** Honourable senators, perhaps the Honourable Leader of the Government will ask as well how the government intends to respond to clause 11 of the agreement, which deals with communications. Concerning the toll highway, what will the sign read, "A joint Nova Scotia-Ottawa capital development project"? Let your imaginations run wild. How will the communications program be effected? I would like to know the answer to that question.

**Senator Fairbairn:** Honourable senators, I prefer not to let my imagination run wild. However, I will obtain from my colleagues the information the honourable senator seeks.

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—DIVERSION OF FUNDS TO CAPE BRETON PROJECT—POSSIBLE INTERPRETATION BY AUDITOR GENERAL OF CANADA—GOVERNMENT POSITION

**Hon. Lowell Murray:** Honourable senators, by way of a supplementary question, the controversy arose because the Auditor General of Nova Scotia said that the Fleur-de-lis Trail, the project to which the funds were diverted, does not meet the criteria for funding under the Federal-Provincial Strategic Highway Improvement Program. Would the minister consider asking the Auditor General of Canada for his interpretation on that matter?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will pass that suggestion along to my colleague.

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA— RETURN OF FUNDS TO DESIGNATED PROJECT—GOVERNMENT POSITION

**Hon. Gerald J. Comeau:** My question is on the same subject, honourable senators. Is the Leader of the Government in the Senate aware that Nova Scotia now ranks with Newfoundland as the province with the lowest rate of economic development in the country? Regardless of how we love our Newfoundland

colleagues and fellow country people, I am sure we would not like to have the same distinction.

The leader must agree that diverting the Trans-Canada Highway funds to Minister Dingwall's re-election campaign will act as a barrier to economic development for the entire province. Why would a manufacturer invest inside a toll zone when doing so would increase the costs of shipping products to outside markets?

My question to the leader is this: Will she join with us in calling upon her colleagues in the other place and in Nova Scotia to return the funds for the "death valley" highway project, where they were intended to go in the first place?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, without agreeing in any way with the preamble of the honourable senator's questions, I will pass the substance of his questions along to my colleagues and seek a response from them.

## THE SENATE

### HOUSE OF COMMONS—CHANGES TO METHOD OF REPORTING COMMITTEE PROCEEDINGS—AVAILABILITY TO SENATORS OF COMPUTER LINK—GOVERNMENT POSITION

**Hon. Noël A. Kinsella:** Honourable senators, my question is addressed to the Leader of the Government in the Senate. Perhaps the Chairman of the Internal Economy Committee may wish to take note of my concern as well. It relates to the changes in the other place regarding how the proceedings of committees are now being reported. This is a serious matter which alters the availability of their committee transcripts. As a result of the change, which was part of a cost-cutting measure, the House now provides only an electronic copy of their committee proceedings. The medium on which this information is provided is a computer system known as PUBNET.

The trouble is that PUBNET is only available in the offices of members of Parliament, as well as on one terminal in the Library of Parliament, if requested.

• (2020)

For those of us who like to follow what is going on in committees in the other place for the purpose of our own research, the problem is that the Senate system of computers will not accommodate PUBNET, which makes access to House of Commons committee transcripts difficult and time consuming. It is my understanding that in order to acquire a transcript of a House committee, senators or their researchers must request the Library of Parliament to access PUBNET on its single terminal, and then print a copy of the requested proceedings. The answer to my question is, therefore, of interest to all honourable senators.

Will the Leader of the Government in the Senate undertake to provide to this chamber an update on the current situation regarding senators' access to House committee transcripts? Would she also undertake to provide a report on the measures in progress or under consideration in an attempt to ameliorate this apparent problem?

**Hon. Joyce Fairbairn (Leader of the Government):** I thank my honourable friend for his question. This matter is certainly of interest and concern to members on both sides in the Senate, and has been drawn to my attention by colleagues.

If I may, I might ask my colleague Senator Hastings to give an update from his position as Chairman of the Standing Committee on Internal Economy, Budgets and Administration.

**Hon. Earl A. Hastings:** Honourable senators, the Standing Committee on Internal Economy, Budgets and Administration has been following closely developments in the House of Commons in relation to the printing of proceedings of their committees. As of today, we are moving to go on line with them. I should warn honourable senators that this will mean a considerable expense for the Senate in 1995-96. Close to $2 million may be required to bring us on line and up to the scale we would be expected to maintain.

The Senate cannot remain behind the times. We must move ahead with the available technology. A Senate committee is presently at work studying this matter, and will report to the Senate within a month.

[*Translation*]

## OFFICIAL LANGUAGES

### ACCESS OF FRANCOPHONES TO INTERNET NETWORK

**Hon. Roch Bolduc:** Honourable senators, my question is for the government leader in the Senate. Are you aware that Internet operates primarily in English, in particular for something as important as the Royal Military College in Kingston. The first few pages are in both languages, but if you go on for more information, the French disappears.

This is unacceptable. The Minister of Defence must be told that this is unacceptable. I do not want to rise here and play nationalist on this matter, but it really disgusts me. I hope the leader will take serious action on this matter. I have been here seven years. I have put up with many breaches of the rules of bilingualism to avoid slowing down committee work. In fact, I had the opportunity to practice my English. It was not so bad. Eventually, however, it gets to be tiresome, especially for those students who would like to go to the college. I have said that people from the Province of Quebec would not go to the military college. This is what will happen with your system. Try to ensure that our people can get service in their own language. If we keep going on this way, the Defence department will no longer have any legitimacy in our province. This is serious. I would ask the leader to give this matter the attention it deserves.

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I take the honourable senator's question seriously. It is a problem that I will refer directly to my colleagues. The situation is not acceptable. I will see what can be done about it.

**Hon. John B. Stewart:** I wish to ask a supplementary question, honourable senators. I do not wish to suggest that the statutes enacted to institute the process which is now being followed in the other place are tainted by reason of the fact that

the committee reports are not available in printed form in both languages. I suppose a case could be made following the Manitoba —

**Senator Lynch-Staunton:** It was made by Senator Gauthier and Senator Beaudoin.

**Senator Stewart:** I do not want to follow that because I assume that formal minutes of the committees of the other place are available in both languages.

My comments are directed to the Leader of the Government in the Senate and the Chairman of the Standing Committee on Internal Economy, Budgets and Administration. As Senator Bolduc has now implied, it is not satisfactory — although it may be technically sufficient — to have the records of proceedings available in only an obscure way.

Assuming the statutes are not invalid, what the House of Commons does is its own business. However, I hope that the Chairman of Internal Economy did not intend to imply that we should regard what the House of Commons is doing as the cutting edge of progress. Surely, however, the Senate must do things in a way that is right and proper for its purposes.

My question to the Leader of the Government in the Senate is this: Does she think that I have misstated the point?

**Senator Fairbairn:** Honourable senators, I would never accuse my colleague of misstating a point.

I take my colleague's point. Senator Bolduc was merely concerned about information being available only in an obscure way and with great difficulty, in both official languages. That is a fundamental concern of this chamber and any other institution associated with the federal government.

With respect to Senator Stewart's request, I would ask our colleague Senator Hastings to add to his remarks and, indeed, his study. This is not a situation wherin we must simply regard the other place as the sole arbiter of excellence and progress.

**Hon. Jean-Robert Gauthier:** Honourable senators, by way of supplementary, the current situation is that the Senate, jointly with the House of Commons, has established standing joint committees of the Senate and the House of Commons on Official Languages, the Scrutiny of Regulations, the Library of Parliament, and the Joint Inter-Parliamentary Council.

In that regard, my supplementary questions are for the Leader of the Government in the Senate. Has any thought been given to the particular situation in which the Senate finds itself where it may need to continue with a formal printing of the reports of these committees? Until this chamber has decided otherwise, I think we must maintain such a practice. Has anyone advised the House of Commons that the Senate will continue printing, as we have done for years, the proceedings of our committees and joint committees, regardless of what the House of Commons has decided in relation to its use of computer systems?

I would remind honourable senators that this computer system is not even installed in the Senate. In fact, it will be July before the system is installed in the House of Commons. How long will it be before that system is available to all senators?

[ Senator Stewart ]

Honourable senators, will the Leader of the Government consider making the decision soon as to whether the Senate will continue its normal practice of publishing, printing and distributing the proceedings of our committees, as we have done in the past with respect to the special joint committees with the House?

• (2030)

**Senator Fairbairn:** Honourable senators, as I understand it, there was some discussion on this issue as the Senate was conducting an examination of its budget for this year, and the decision taken was that we would continue with the publication of the written transcript, as we have done historically. This question has very important and broad implications for all of Parliament. It is a question that can and should be raised, perhaps not just through our committees and the connections we have with the other side of the building, but also in other manners as well. On behalf of this house, I would be pleased to convey the concerns to my cabinet colleagues on the other side of the building.

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

NATIONAL DEFENCE—
MEMBERSHIP OF HONOURS POLICY COMMITTEE

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 6 on the Order Paper—by Senator Berntson.

PARKS CANADA—MEETINGS HELD BY OFFICIALS IN WOLFVILLE AND DIGBY, NOVA SCOTIA

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 75 on the Order Paper—by Senator Tkachuk.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—SAVINGS IN 1995 BUDGET PLAN

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 92 on the Order Paper—by Senator Tkachuk.

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# ORDERS OF THE DAY

## LOBBYISTS REGISTRATION ACT

BILL TO AMEND—SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Pearson, seconded by the Honourable Senator Hervieux-Payette, P.C., for the second reading of Bill C-43, to amend the Lobbyists Registration Act and to make related amendments to other Acts.

**Hon. Marjory LeBreton:** Honourable senators, I am pleased to join in the debate on Bill C-43. This legislation has arrived in this chamber at an interesting time. We are about to begin an

inquiry into the circumstances surrounding the government's decision to cancel a contract awarded to a private consortium to redevelop and operate Terminals 1 and 2 at Toronto's Pearson International Airport. Serious charges have been made by the government concerning the role lobbyists played in the awarding of the contract, and therefore the discussion on this piece of legislation has particular relevance.

Election campaign chickens nesting in the Liberal Red Book are coming home to roost, and more than a few feathers are fluttering about. The skills honed over many years by lobbyists during past Liberal administrations are being reworked by a new generation known by the more discrete title of "government relations consultants." However, this bill calls them what they are: "lobbyists," plain and simple. Lobbyists, like politicians, are engaged in a legitimate and honourable business and, as a body, they do not deserve such a negative image nor the slings and arrows directed their way.

Referring back to the years of past Liberal administrations, particularly the period from the end of the war until the 1980s, had there been on the books such legislative and regulatory vehicles as Access to Information and the Lobbyists Registration Act, imagine the stories that could have been dug up. Those were the days of close camaraderie between a privileged few in the Press Gallery, their friends in cabinet, the senior ranks of public service and the lobbyist fraternity. Discretion, not revelation or exposure, seemed to be the watchword. The conversations over the dangling fishing lines and tinkling ice cubes were as guarded as the private fishing camps in the Gatineau Hills at which guests were lodged.

I do not object to lobbyists. I have many friends who are lobbyists and consultants. They perform a useful function in bringing the interests of their company, employer or client to the attention of the public service, the policy-makers and the politicians. They have been involved with government in one form or another from the outset of parliamentary democracy as we know it in this country. In many instances, they have contributed to a better society, as Senator Pearson pointed out in her address on May 11. However, one practitioner overstepping the bounds of the profession can tarnish the whole profession, hence the establishment of Bill C-82 under the previous Progressive Conservative government and now Bill C-43. This legislation can be a useful guide to those who work in this particular field.

At the same time, the work of the proposed joint special committee to establish a code of conduct for senators and members of Parliament should be useful in more clearly defining the parameters of conduct which should be followed by members of both chambers in their dealings with the public.

From the first years of the Trudeau government in 1969 to 1985, no fewer than 20 private members' bills calling for regulation of the profession were tabled in the House of Commons. It is interesting and revealing to note that the Trudeau government stood still in this area, preferring the status quo. In 1985, Prime Minister Mulroney announced that his new government would establish a registration system for lobbyists. The former Department of Consumer and Corporate Affairs subsequently issued a discussion paper on lobbying. It outlined four principles respecting the registration of lobbyists, and they are worth reviewing, for they remain the basis of the legislation now before us. The first principle was openness, to be accomplished through a publicly available record of paid lobbyists, their clients and any other additional information considered desirable to demonstrate the government's commitment to transparency and integrity in its relations with the public. The second principle was clarity. In order to reinforce the principle of openness, the regulation should be clear and precise. There should be no doubts about who should and who should not register.

The third principle was access to government, the requirement that paid lobbyists should not act as a barrier to access to government. The fourth principle was administrative simplicity. The administrative requirements in the system of registration should be held to the minimum required to accomplish the system's goals. Registration should not discourage lobbying by anyone with modest means or create a large bureaucratic system.

The discussion paper was referred to the House of Commons Standing Committee on Elections, Privileges and Procedures, and in 1987 the government introduced Bill C-82, the Lobbyists Registration Act. This bill was designed to create a registration system for paid lobbyists whereby government officials and members of the public would know who was attempting to influence government. The bill was given Royal Assent in September 1988 and proclaimed on September 30, 1989.

The act also provided for a review of the act by a parliamentary committee three years after it came into force. Such a review was conducted by the House of Commons Standing Committee on Consumer and Corporate Affairs and Government Operations in 1993.

Honourable senators, as Senator Pearson acknowledged during her remarks on this bill, as reported in the *Debates of the Senate*, at page 1637:

> The impetus to improve the act also came in the last Parliament.

She pointed out, quite correctly, that a committee chaired by a Progressive Conservative Member of Parliament tabled an all-party, unanimous report recommending a series of amendments aimed at more disclosure and more transparency. She even acknowledged Prime Minister Campbell's intention to strengthen the act — an act, I repeat again, which was originally passed by the Mulroney government.

Parliament was dissolved for a general election before the government could table a response to the committee's report. However, the Liberal Party had comments to make, and it set them out in its famous, or infamous, Red Book for the election campaign. It was refreshing to note that Senator Pearson states:

> This sense of unanimity continued with the Red Book commitment to implement the recommendations of the Holtmann committee...

This is an interesting acknowledgement that the Red Book had many authors.

The Red Book begs the question that, in part, flows from the presentation of this particular piece of legislation. During the election campaign and in the post-election period, the Prime Minister promised to restore integrity to government, a typical example of Liberal arrogance feeding on public cynicism, which is not unique to Canada, to suggest that only they possess integrity. According to *The Concise Oxford Dictionary*, "integrity" means wholeness, entirety, soundness, uprightness, honesty. Looking at this bill, at the Red Book, and at the performance of the government to date, I have to ask: Prime Minister, whither integrity?

Let me refer to the Red Book and its statement and pledges on lobbying reform. It begins on page 94, should my honourable friends opposite care to examine the text. The Red Book notes:

> The lobbying industry has expanded enormously in Canada during the nine years of Conservative government.

• (2040)

The industry did indeed expand beyond the confines of the long-established relationships that certain firms had with previous Liberal governments, to include new organizations ready to establish their credentials with a new government, although "enormously" is an overstatement, and an example of Red Book rhetoric.

The Red Book goes on to say:

> The integrity of government is put into question when there is a perception that the public agenda is set by lobbyists exercising undue influence away from public view. The cosy relationship between lobbyists and the Conservative regime has contributed not only to public cynicism about politics but also to the sense of the Americanization of Canadian government.

Let us look at this last statement in the context of the current controversy in which the government now finds itself over its direction to the CRTC on the awarding of licences for direct-to-home satellites. Speaking of cosy relationships! This is integrity?

In the next breath, the Red Book says:

> Serious concerns have been raised in the minds of Canadians about some of their political representatives and some of the companies and individuals who lobby or otherwise seek to influence government decision-making.

Truer words were never spoken!

The Red Book says that Canadians have the right to meet with elected officials and senior public servants without employing lobbyists. That is true. Any busy MP or senator will attest to the fact that they work directly with constituents and other groups in assisting them in their dealings with government at all levels. However, if a person is totally unfamiliar with how government works, or how to approach elected officials and senior public servants, it does help to have available the services of someone who knows what legislative changes have been made, or more simply who knows what is going on, how the system works, and through which channels one can move to achieve a particular purpose.

The Red Book continues:

> Although Canadians have the right to be represented in their dealings with government, no one should be required to pay fees in order merely to arrange meetings with ministers or senior officials.

One cannot argue with that. The operative word here is "required." The arrogant Liberal inference was clear: they would have you believe that the public had no access without a fee. That is totally dishonest on their part.

The Red Book makes much of the appointment of an independent Ethics Counsellor to advise both public officials and lobbyists in the day-to-day application of the Code of Conduct for Public Officials. Senator Pearson devoted a good portion of her remarks to this position. The problem is that the Red Book promised something quite different, namely:

> The Ethics Counsellor will be appointed after consultation with the leaders of all parties in the House of Commons and report directly to Parliament.

However, without so much as a blush of embarrassment, the Prime Minister went ahead and chose the Ethics Counsellor himself! The Counsellor will report not to Parliament but to the Prime Minister!

Wholeness? Entirety? Soundness? Uprightness? Honesty? Integrity? Integrity, indeed!

I was pleased to read a recent editorial in *The Ottawa Citizen* which took the Prime Minister to task. This is a newspaper that is not unfriendly to the present government, to put it mildly. Quite the opposite. It had this to say:

> Regulating lobbyists is not all there is to protecting integrity in government, or preserving Jean Chrétien's reputation. Much more needs to be done to oversee the conduct of office-holders — senior public servants and cabinet ministers — to establish public confidence in the government's conflict of interest code.
>
> But the work of lobbyists must be exposed to public scrutiny far more forthrightly than this bill allows. Otherwise, the public will inevitably begin to suspect the worst of Chrétien and his government.

Honourable senators, any lingering suspicions that any thinking Canadian might have will readily be dispelled by having another look at the Liberal Red Book of Hypocrisy, as I call it. As my seat-mate very aptly put it recently, "The Red Book should be in the blue box!"

I urge honourable senators to read page 22 of the Red Book. What is contained on that page should bring a blush to the face of the Leader of the Government, whom honourable senators will remember so well for her musical renditions and those of her colleagues in this chamber during the so-called debate on the GST:

> A Liberal government will replace the GST with a system that generates equivalent revenues, is fairer to consumers and to small business, minimizes disruption to small business, and promotes federal-provincial fiscal cooperation and harmonization.

The kazoos are silent. Dignity prevails. Integrity is restored in the Senate chamber. Thanks are due to senators on this side, who have respect for this institution and for the intended role of the Senate. There are no hunger strikers, kazoo blowers, or generally rowdy behaviour on this side of the chamber.

Then, honourable senators, only two pages on, at page 24 — hardly time to clear one's throat — the Red Book states:

> The Canada-U.S. Free Trade Agreement and the North American Free Trade Agreement are flawed. A Liberal government will renegotiate them.

Amigo Chrétien! Renegotiate, indeed!

I list only these two examples to underline why we should not be surprised to see their lofty claims with respect to such matters as lobbying legislation now look quite different in reality. I could list many more, such as child care, health care, unemployment insurance, social programs and human rights, but I will keep those for another day.

Here we are, less than two years later, and the question we need to ask of this government is: What has the government done to change this perception that the Liberal Party so cleverly crafted as its election manifesto? Where is the integrity that was supposed to set this government above those that preceded it?

Our leader, the Honourable Jean Charest, summed it up neatly at our recent convention when he said:

> What the Liberals fought for nine years, they have now adopted...Free trade, NAFTA, tax reform, the Conservative government's energy policies, deregulation, privatization, deficit reduction.

What is next on their policy shoplifting spree? Helicopters? Of course, we could add lobbying legislation.

I go back to the beginning of these remarks: Liberal election campaign chickens are coming home to roost. They have no clear agenda, and we on this side of the chamber will continue to remind them of this fact. Political expediency, yes. Integrity, no way!

The discussion in this chamber and in committee on Bill C-43 should be enlightening for honourable senators. I hope those in the lobbying industry will avail themselves of the opportunity to present their arguments for and against the legislation, particularly those who might feel their profession has been maligned by critics within the government itself.

In presentations to various committees in the other place, industry representatives have demonstrated that they are honourable men and women in an honourable profession. They themselves recognized the degree of responsibility that they must accept in conducting their business with members of the public service, elected representatives and members of this place. They have adopted the idea of policing their own industry through a formal association, and we should commend them for this move. They have put forward constructive ideas that have been incorporated in this proposed legislation.

As representatives of the party on this side of the chamber, a party that, while in government, led the way in encouraging regulations and orders for a burgeoning industry, we will be more than interested in the comments from the government side of the chamber. Comments about "wholeness, entirety, soundness, uprightness and honesty" — in a word, "integrity," a word that seems to have lost its coinage of late.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Pearson, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## TREATMENT OF ABORIGINAL VETERANS

REPORT OF ABORIGINAL PEOPLES COMMITTEE ADOPTED

On the Order:

> Resuming the debate on the consideration of the Ninth Report of the Standing Senate Committee on Aboriginal Peoples, entitled: "The Aboriginal Soldier After the Wars," tabled in the Senate on 29th March, 1995. — (*Honourable Senator Berntson*).

**Hon. A. Raynell Andreychuk:** Honourable senators, I do not intend to speak this evening on the aboriginal veterans report. On the last occasion that I spoke, I think I made the comments that were appropriate on behalf of the committee.

• (2050)

**The Hon. the Speaker:** Honourable senators, I wish to advise the Senate that if Honourable Senator Andreychuk speaks now, her speech will have the effect of closing the debate on this item.

**Senator Andreychuk:** Honourable senators, when our report was released, it was disseminated to all aboriginal veterans who appeared before the committee and to any veterans whose names were put forth to the committee. We also disseminated the report to all known sectors of the aboriginal communications network. I am pleased to say the report received adequate coverage by those sources. It is rather disappointing, however, that the national news services have not seen fit to publicize this report and the stories which lie behind it to give due honour to the aboriginal veterans, particularly during the recent celebrations to commemorate VE day.

The committee report was well reasoned. The comments were very careful and measured, being mindful of present-day society and of the fact that the aboriginal veterans themselves were very measured and reasoned in their requests and their responses.

I simply want to underscore again that the aboriginal veterans fought valiantly to help build a fair and just society to which they thought they would be returning. It would be only fair for this Senate, the House of Commons and the Government of Canada to respond in the same measured and reasoned way to the aboriginal veterans.

In a small way, our report has already had some effect. Many young aboriginals are now aware of the sacrifices made by aboriginal soldiers. They are beginning to realize that aboriginal soldiers were valuable role models for their communities. There seems to be an awakening by aboriginal youth to the positive impact they can have on their own society. The fact that the broader society has, in some measure, responded to their concerns is a positive show of good faith for which aboriginal youth have been waiting.

In Regina, on June 6, 1995, a ceremony will be held to commemorate the achievements, accomplishments and sacrifices of aboriginal veterans. The aboriginal community will come together on that day to honour its veterans. It is my hope that, tonight, by your show of support for this report, we in the Senate can show our respect and our gratitude to aboriginal veterans.

Honourable senators, on behalf of the committee and particularly for aboriginal veterans, I move that this report be adopted.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and report adopted.

[*Translation*]

## THE SENATE

### IMPACT OF DECISION OF HOUSE OF COMMONS TO CEASE PUBLICATION OF COMMITTEE PROCEEDINGS—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry by the Honourable Senator Gauthier, calling the attention of the Senate to the decision of the other place concerning the publication of committee proceedings, to the serious impact of that decision on the proceedings of the joint committees of the Senate and the House of Commons, and to the issue of whether that decision is in compliance with the constitutional requirements of section 133 of the *Constitution Act, 1867*. — (Honourable Senator Corbin).

**Hon. Eymard G. Corbin:** Honourable senators, on March 5, I drew the attention of the Senate to the decision by the House of Commons to stop printing the proceedings of the committees in both official languages.

On April 5, Senator Jean-Robert Gauthier made a major speech in the Senate on the matter. His speech was followed by another major speech by Senator Beaudoin which drew our attention to the legal and constitutional scope of this decision. It is not my intention to add to the debate. There is nothing I could add of any importance to the debate this evening.

However, honourable senators will remember that Senator Gauthier gave notice of motion on May 4 to the effect:

> That the Standing Committee on Privileges, Standing Rules and Orders consider and report on:
>
> (i) the effects on the Standing Joint Committees of the decision by the Board of Internal Economy of the House of Commons concerning the editing, translation and printing of Committees Issues; and
>
> (ii) the need for the Board of Internal Economy of the House of Commons to consult the Senate before making decisions on matters that concern both Houses of Parliament.

I do not intend to debate the notice of motion. Senator Gauthier will introduce the motion in due course. It is his motion.

I do concur, however, with the recommendation made by Senator Beaudoin on Senator Gauthier's original inquiry to the effect that the entire matter should, in his opinion, be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

I am rising tonight in support of Senator Beaudoin's proposal. Constitutional issues are not transient matters like Canada geese that fly north in the spring or the snow geese that fly south in the fall. This is rather fundamental and its repercussions on all printed parliamentary proceedings should be considered very carefully.

Today, printed matter has a broader meaning. It is defined as the characters that appear on a television screen. I am not quite convinced that this kind of printed matter must exclude the traditional definition in use since Gutenberg invented movable type several centuries ago. I see this as a basic constitutional issue.

When Senator Gauthier is ready to debate his notice of motion, I intend to move an amendment to his proposal that the whole issue of printed parliamentary proceedings, as provided for in the Constitution of Canada, and not only the issue of joint committees of the Senate and the House of Commons, be referred to the Standing Senate Committee on Legal and Constitutional Affairs, as proposed by Senator Beaudoin. That is why I rose tonight, and in due course, I will move my amendment.

On motion of Senator Berntson, debate adjourned.

[*English*]

## INTER-PARLIAMENTARY UNION

### NINETY-THIRD CONFERENCE, MADRID, SPAIN

**Hon. Peter Bosa** rose pursuant to notice of Wednesday, May 10, 1995:

> That he will call the attention of the Senate to the 93rd Inter-Parliamentary Union Conference, held at Madrid, Spain, from March 27 to April 1, 1995.

He said: Honourable senators, it is my privilege to present the report of the 93rd Inter-Parliamentary Conference held in Madrid from March 27 to April 1. My distinguished colleague Senator Cochrane and I attended this conference, along with five members of the House of Commons. They were Madam Madeleine Dalphond-Guiral, Ms Pierrette Ringette-Maltais and Messrs Eugene Bellemare, John Finlay and John Harvard.

Before speaking about the deliberations at the conference, I would like to mention a few points about bilateral relations with our host country. In June 1977, Spain held its first free elections in 40 years, and a referendum the following year approved a new democratic constitution. The Spanish parliamentarians are very proud of their political system and make frequent reference to the principles and values enshrined in their constitution.

Since 1986, when Spain joined the European Community, Canadian exports to Spain have expanded dramatically. Total bilateral trade between Canada and Spain amounted to some $821 million in 1993. Spain is Canada's tenth largest export market in Europe and the twenty-first in the world. Our trading relationship has been mutually beneficial and trade continues to grow. The major Canadian exports to Spain include raw materials such as mining products, pulp and paper, mineral fuels and wood. Major Spanish exports to Canada include rubber, footwear, minerals, fuels and oils, optical devices and organic chemicals.

However, Canada and Spain have had a decade-long difference over fisheries issues. As honourable senators may recall, this conference took place during the dispute over the allocation of Greenland halibut, or turbot, and the seizure of a Spanish fishing trawler off the Newfoundland coast by Canadian officials. Prior to our departure, officials from the Departments of Foreign Affairs and Fisheries provided us with comprehensive background briefings on the dispute and the events leading up to the seizure of the vessel. Likewise, during our time in Madrid, the Canadian embassy continued to give us up-to-the-minute information on the latest developments.

I wish to report that our visit to Madrid and our participation in the conference proceeded smoothly. The Spaniards are a hospitable and cordial people. They treated us with the utmost gentleness and generosity. I was pleased, as the chairperson of the Twelve Plus, to be able to express, at the end of the conference, on behalf of our group, our thanks to the Spaniards for the kind hospitality that was accorded to us during our stay in Madrid. While in Madrid, I was interviewed a number of times by the Spanish media, and each time I stressed the importance of conservation of fish stocks.

During the conference, some encouraging things happened that had not been anticipated and that bode well for the future. At a meeting of the Twelve Plus Group, the caucus of western democracies, the Canadian delegation proposed as an item for the agenda of a future conference "the conservation of world fish stocks in order to ensure an important source of protein as well as continued viability and economic stability of fishing around the world." The leader of the Spanish delegation, Mr. Miguel Angel Martinez, with whom I have a good working relationship, not only supported this proposal but also suggested that our two parliamentary groups jointly sponsor the proposal.

I think this example demonstrates the importance of a continuing dialogue among parliamentarians. Even though our governments were engaged in a heated dispute, we, as parliamentarians, were able to meet and discuss the issues and try to work toward a resolution of the outstanding issues. In fact, I spoke to Mr. Martinez about increasing the dialogue at the parliamentary level, perhaps through a friendship group. He was very supportive of the idea, but, as the Spanish Parliament does not have a mechanism for friendship groups, we agreed that we should do so under the auspices of the IPU.

We have a lot in common with the Spanish people. There are sizeable fishing industries in both countries and it is in our joint interest to preserve fishing stocks in order to ensure that our fishing communities, even though reduced in size, will be able to pursue employment for years to come.

While maintaining contact with our Spanish colleagues is important, I believe we should expand this dialogue beyond Parliament by encouraging contacts between Canadian and Spanish fishermen. This is the constituency that is directly involved in the industry. It is through such initiatives that each side will gain a better understanding and appreciation of the situation of the other. Through such contacts, we might be able to avoid the kind of confrontation that both sides have experienced in the past.

The same approach applies to Portugal.

I would now like to turn to the conference itself. At the outset, I would like to express our thanks and appreciation to the officials from Foreign Affairs and International Trade Canada, the Canadian International Development Agency and Fisheries and Oceans Canada, who briefed our delegation prior to its departure, and as well to the researchers in the Library of Parliament who provided background papers.

I would also like to pay tribute to the Canadian ambassador, Mr. David Wright, and his colleague Mr. Paul Willox, First Secretary, for their assistance and support during the conference. At the beginning of our work, Mr. Wright and other staff members provided a comprehensive and informative briefing on Spain in general and on the fisheries dispute in particular. Our ambassador also hosted a reception during the conference in order for us to meet some Spanish business people interested in Canada.

[*Translation*]

The first item on the agenda was, "The international community and the challenges raised by the disasters resulting from armed conflicts and natural or man-made catastrophes: the need for a coherent and efficient response through the implementation of political and humanitarian measures and mechanisms adapted to the situation."

Messrs Harvard and Bellemare participated in the plenary debate and represented Canada at the meetings of the committee considering the issue. Twenty-three countries, including Canada, put forward draft resolutions.

The second item on the agenda was, "Bioethics: an international challenge for the protection of human rights."

The speech by our colleague Senator Cochrane dealt with the innovative work done by the Canadian Senate committee on

euthanasia and assisted suicide. After her presentation, several delegates asked us for more information about this committee and for copies of its final report. Senator Cochrane and Mr. Finlay, the other Canadian speaker to address this issue, represented Canada on the committee responsible for reviewing the 20 draft resolutions, including the one put forward by the Canadian group.

[*English*]

At each conference there is an opportunity to vote on a supplementary item to be included on the agenda. Subjects are selected because they are topical and of international concern. A year ago, the Canadian group, for example, successfully proposed "adherence to the obligations of the Nuclear Non-proliferation Treaty." This subject was debated and a resolution detailing the importance of an indefinite extension of the NPT was adopted by consensus. North Korea, which had been threatening to leave the NPT, participated in these deliberations and agreed with the final resolution.

This is one activity where the IPU carries out valuable work. An examination of the voting patterns of these supplementary items is a useful guide in plotting shifts in international latitudes and, ultimately, policy decisions.

• (2110)

At the recent conference, the Iraqi group proposed a debate on lifting the economic sanctions imposed on that country. At six of the last seven conferences, the Iraqi group has submitted this subject, but on the first three occasions the leader of the delegation had made a short speech and withdrawn the proposal without forcing a lengthy roll call vote. At both the Paris conference in March 1994 and the Copenhagen conference in September 1994, the support of the Iraqi proposal was around 200 votes, but at the recent conference this support increased by almost 50 per cent to 290. It is instructive to note that new support came from North Korea, Indonesia and Uzbekistan, which cast all their votes for the Iraqi proposal, along with some support from Bulgaria, China, Ghana, Malta, Pakistan, Philippines and San Marino.

On this occasion, there were eight proposals for the supplementary item, including one from Canada on "The importance of literacy and education in achieving equality for girls and women." Our delegation decided to amalgamate our topic with one submitted by Australia on "Parliamentary action for women's access to and participation in decision-making aimed at achieving true equality for women." The forthcoming World Conference on Women, to be held in Beijing in September of this year, had influenced both our delegations to propose a subject relating to the status of women. Happily, I can report that our joint subjects were selected as the supplementary item. Ms Ringette-Maltais served as the Canadian representative on the drafting committee.

At the Madrid conference there was also debate on "The general political, economic and social situation in the world." Madame Dalphond-Guiral, representing the official opposition, spoke about nationalism in the world context.

I used this opportunity to speak about the importance of reforming the United Nations Security Council. Among the issues raised in my address were the basic criteria for membership in the Security Council. I believe that the council should include, at least in some capacity, those countries prepared and able to contribute to emergency situations. It seems only fair and reasonable that countries which support and participate in peacekeeping operations ought to be involved in the decisions affecting their troops.

Throughout 1995, all eyes will be turned to the United Nations as its 50 years of achievements are recognized. Reform of the Security Council will be a tangible way to celebrate this fiftieth anniversary.

I would also like to mention the report of the IPU Committee on the Human Rights of Parliamentarians. As you are aware, the Canadian group has been very active in the work of this committee. Our colleague Senator Neiman, who was instrumental in its establishment, was a member for a number of years. During the Madrid conference, the violations of the rights of 66 members or former members of Parliament in 11 countries were brought to the attention of the delegates. The 66 cases were: one from Albania, one from Bulgaria, one from Burundi, six from Columbia, one from Honduras, one from Indonesia, two from the Maldives, 21 from Myanmar — formerly Burma — six from Nigeria, three from Togo and 23 from Turkey.

The Inter-Parliamentary Union was established in 1889 to promote the concept of peace and cooperation among all peoples. One of its fundamental objectives is to foster contact, coordination and the exchange of experience among parliamentarians. Although we have always tried to encourage parliamentary dialogue at these international fora, I believe that our recent experience at the Madrid conference demonstrates the value of parliamentary associations. During a time of confrontation among our respective governments, we were able, as parliamentarians, to build bridges with our Spanish colleagues and to continue to seek constructive links with them. Such is the merit of these international meetings.

**The Hon. the Speaker:** If no other senator wishes to speak, this inquiry is considered debated.

## BANKING, TRADE AND COMMERCE

### COMMITTEE AUTHORIZED TO ENGAGE SERVICES

**Hon. Michael Kirby,** pursuant to notice of May 11, 1995, moved:

> That the Standing Senate Committee on Banking, Trade and Commerce have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it.

Motion agreed to.

The Senate adjourned until Wednesday, May 24, 1995 at 1:30 p.m.

# THE SENATE

**Wednesday, May 24, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

## VISITOR IN GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to call your attention to the presence in the gallery of Colonel Antonio de Guzman, Sergeant-at-Arms of the Senate of the Philippines. Colonel de Guzman is visiting our Parliament with senior officials from the Senate Secretariat of the Philippines.

**Some Hon. Senators:** Hear, hear!

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[*Translation*]

# SENATORS' STATEMENTS

## TELEFILM CANADA

CUTS IN FUNDING OF ABITIBI-TÉMISCAMINGUE INTERNATIONAL FILM FESTIVAL

**Hon. Normand Grimard:** Honourable senators, under its new action plan, Telefilm Canada intends to divest itself of the Abitibi-Témiscamingue international film festival over a three-year period. The festival receives an annual subsidy of $50,000.

This top calibre film event has proven that a region can play a prominent role in the cultural scene. This festival is the expression of a collective action and of success that extends well beyond borders. It has earned its place on the calendar of Canadian festivals. The festival's approach to things has made it, with time, a formidable economic, cultural and touristic vehicle for the region, for which I have a special fondness, having lived there for 45 years.

The action plan confirms Telefilm Canada's lack of interest in audiences outside metropolitan areas. Telefilm Canada is putting more effort and money into developing markets for Canadian film abroad than into developing audiences in medium and small cities in Canada.

Its ambitions to globalize Canadian cinema should not be at the expense of the Canadian public in the regions. True culture must first take root within its own country. These measures fail to take into account a huge potential market — taxpayers who have the misfortune not to live in the major urban centres.

Telefilm Canada's decision to withdraw progressively from this event reveals real disdain for regional audiences. This decision sounds the death knell for 19 years of small victories gained through the efforts, volunteer support and imagination of people who believed in the life and growth of their region.

The amounts Telefilm Canada contributed to the Abitibi-Témiscamingue international film festival were peanuts in terms of its overall budget. Everyone has to do their part; it is a matter of justice and fairness. Some festivals, which are heavily subsidized, remain, others go. This festival, however, is a long-standing one, which has served the Canadian film industry well, at little cost. If cuts are to be made, they should be made to all festivals equally. That is just good common sense.

Canada's regions are far from the offices of Telefilm Canada. Such offices are often built out of wood from Abitibi-Témiscamingue and decorated with copper objects from there as well.

[*English*]

## FIREARMS LEGISLATION

COMMENTS OF LIBERAL MEMBER OF PARLIAMENT

**Hon. Ron Ghitter:** Honourable senators, today's reading of comments by Liberal members in the House relative to Bill C-68 is from Ethel Blondin-Andrew, Secretary of State (Training and Youth), who says the following:

> Aboriginal people, for instance, are worried about the potential infringement on their treaty rights. Shooters are concerned with the restrictions placed on their sport and outfitters are worried about the impact the legislation will have on their business. These are all serious concerns which if not addressed could pose some serious hardships in the North and of course in other parts of Canada.
>
> The potential infringement the legislation could have on treaty rights and its impact on the traditional aboriginal way of life are threats that aboriginal people have sought to prevent since the signing of their treaties. Treaties were signed to ensure the protection of aboriginal rights that were then entrenched in the Constitution under section 35 of the Charter.
>
> As treaty rights go or as rights go in aboriginal country, rights are considered and treated as absolute but in the reality of the political world and in the name of concessions, compromise and goodwill we are looking at some half-measures.
>
> According to the Sparrow decision of 1990 hunting and fishing rights have been recognized by the Canadian government. It would appear to be damaging to the fragile relationship being forged between the aboriginal people and the Government of Canada if the bill infringed on these rights.

This is the concern being expressed. However I have assurances that the legislation will not infringe on these rights. Special considerations have been given to sustenance hunters and in particular aboriginal hunters who make up a large portion of all sustenance hunters.

Let me, for instance, express the concerns brought forward by Mr. Sam Gargan, member of the Legislative Assembly for the Northwest Territories for Deh Cho, who said:

> ...I also believe that the legislation, as it now stands, violates treaty rights as guaranteed in the Charter of Rights and may well be in contradiction of the Sparrow decision—To this end I can virtually assure you that should this legislation proceed as written, there would be a court challenge from Canada's aboriginal community.

• (1340)

These are the words of a member of the Legislative Assembly of the Northwest Territories, the majority of whose constituents are aboriginals...

Through consultations with First Nation Métis and Inuit, it is my hope that an amendment can be made to eliminate the cost of transferring and registration of firearms by sustenance hunters, as these costs would be an economic hardship on people who cannot afford to buy their food and use their firearms as a tool to feed themselves and their communities.

It is felt that it would be an additional economic hardship in a community that already has quite a large group of unemployed people who rely on other sources to continue living and surviving.

The minister goes on to state:

> There are many hunting, outfitting and tourist businesses in the North and other parts of Canada that depend on hunters from other countries for their business. They have voiced several concerns that Bill C-68 will impose further restrictions on the entry of those foreign hunters and are concerned that they will choose to go to another country to hunt where the laws are not so restricting.

**Hon. Eymard G. Corbin:** Honourable senators, I think we have just witnessed a most unusual procedure. For a number of sittings now, Senator Ghitter has read into the Senate record a series of statements made in the House of Commons on a topic relating to legislation that is currently before the House of Commons. I do not quarrel with raising such a matter as an issue before the Senate when it is done properly. What I do find unusual is that we are now in a period of our work called Senators' Statements. Senator Ghitter is not making a statement or a series of statements arising from ideas he has sifted through his brain, or which originated in his brain. He is merely placing on the record a series of quotes.

I would not object if, in the course of picking his brains, Senator Ghitter gave occasional quotes from newspapers and statements from the other place. However, the very notion of Senators' Statements is being prostituted by the way in which Senator Ghitter uses this period. We can all read the House of Commons record. We can all read newspapers. We want to know what Senator Ghitter thinks. Does he think? That is what we wish to know.

**The Hon. the Speaker:** I am sorry, honourable senators, but a senator's statement is not a subject for debate.

**Senator Ghitter:** Honourable senators, would a point of privilege be recognized?

**Some Hon. Senators:** No.

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# QUESTION PERIOD

## TRANSPORT

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—DISCUSSIONS BETWEEN MINISTERS ON DIVERSION OF FUNDS FROM NOVA SCOTIA HIGHWAY PROJECT—REQUEST FOR PARTICULARS

**Hon. J. Michael Forrestall:** Honourable senators, about a week ago in the other place, the Minister of Transport, under some pressure from the Leader of the Conservative Party, admitted that he and his colleague the Minister of Public Works had indeed had certain conversations and discussions with respect to the diversion of funds from the critical highway project in Nova Scotia to a highway project in Minister Dingwall's riding.

So that there is no confusion, and that we not get led too far down various paths, could the Leader of the Government in the Senate arrange to have tabled before us, or brought to our attention, all of the relevant documents, internal memoranda, and correspondence associated with those discussions and the ultimate decision to divert funds from one program to another?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to take my honourable friend's request to my colleagues for whatever relevant material might be available. I am not exactly sure what he is referring to in terms of conversations, but I will be pleased, as always, to pass his questions on to my colleagues.

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—PROPRIETY OF INTERVENTION BY MINISTER OF PUBLIC WORKS—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, the Minister of Transportation in Nova Scotia, Richard Mann, is on record as stating the following about Minister Dingwall's role in initiating the diversion of funds from the so-called "Death Valley" area of the Trans-Canada Highway to the respective ministers' ridings, and I quote:

> He talked to us about it, and we talked with him about it, and we all agreed it's a worthwhile project to do.

"A worthwhile project to do", of course, is the diversion of funds from one program to another — quite illegally, I would think.

Given the position of Mr. Dingwall and Mr. Young that this is strictly a provincial matter, notwithstanding the fact that 50 per cent of the money comes from federal sources, is Mr. Dingwall's intervention in this matter appropriate and proper?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as I believe I indicated last evening, the Minister of Transport has said in the House of Commons that throughout the duration of these agreements with Nova Scotia and other provinces, it is not uncommon to have a provincial government come to the federal government seeking a reallocation of the funding. That is not an uncommon procedure at all, since it is the provincial governments who hold the responsibility for setting funding priorities under this program. It is done through a consensus of the appropriate ministers. I believe the Minister of Transport indicated that very thing to the other place in his responses on May 16.

However, as I did last night and as I will do again today, I will refer my friend's questions to the Minister of Transport and do my best to come up with a comprehensive answer.

• (1350)

**Senator Forrestall:** A management committee, comprising federal and provincial appointees, was charged with the responsibility of managing the expenditure of those funds and of determining what is a proper expenditure with regard to cost sharing and so on. Would the leader obtain the documents and correspondence, so that I may determine whether the management committee's opinion in this matter was sought, and, if so, whether they agreed or dissented?

The difficulty that many of us see is that we could have a spate of toll roads on the Trans-Canada Highway from one end of this country to the other, if we are not careful.

**Senator Fairbairn:** I appreciate my honourable friend's concern, and I will again seek whatever is available to satisfy his questions.

My friend will know that the question of private participation in highway development has been raised in British Columbia and I believe is currently under consideration with regard to a stretch of highway in Ontario. This proposal is not precedent setting.

The primary issues with regard to Highway 104 of concern to all members of this house are safety and the swiftness with which the upgrading and development can take place. I am advised that a public-private partnership can accelerate the speed with which this highway is repaired and upgraded to meet the safety standards, which is the most fundamental and desirable outcome to be achieved from these discussions.

## FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—INTRODUCTION OF TOLL BOOTHS ON TRANS-CANADA HIGHWAY

**Hon. Gerald J. Comeau:** Honourable senators, my question concerns the privatization of the Trans-Canada Highway in Nova Scotia. Subsequent to the diversion of the strategic highway improvement program funds from Highway 104 to the riding of the Minister of Public Works and Government Services, the provincial government passed legislation which will see the introduction of a toll road to finance the upgrading of that stretch of the Trans-Canada Highway.

If my understanding is correct, this is the first time in Canada that the Trans-Canada Highway will have a toll booth on it. Would the leader confirm if that in fact is the case?

**Hon. Joyce Fairbairn (Leader of the Government):** As I said in my earlier response, the question of tolls has been raised in British Columbia and in Ontario, but I shall check to verify the parameters of my friend's question.

**Senator Comeau:** Honourable senators, I want to be absolutely specific on what I am asking. I am not questioning whether any province has the right to put toll roads in place. In fact, quite a few provinces do have them. I have no quarrel with toll roads.

My understanding is that, according to the original agreements, the Trans-Canada Highway would not have tolls. It was to be a highway linking Canadians from coast to coast, and there would be no tolls.

My question is: Has there been a change in policy and is the Government of Canada now authorizing tolls on the Trans-Canada Highway? Is this the start of the privatization of the Trans-Canada Highway?

**Senator Fairbairn:** Honourable senators, as my honourable friend will know, I am not an expert on this particular question. Rather than speculating, I shall obtain a factual answer for him.

On the question of the highway concerning us, I believe that two-thirds of the money in the program has gone towards the improvement and the upgrading of Highway 104.

## FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—FULFILMENT OF RED BOOK PROMISES—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, if some see this matter of the "Death Valley" highway as a regional concern, I see the problem as a national concern.

Although the Leader of the Government is perhaps not an expert on highways, she is probably an expert on the Red Book promises. I would like to quote a section of that Red Book from Chapter 6, and the title of the chapter is very telling: "Governing with Integrity."

> People are disappointed by and irritated with the poor quality of services provided by many public institutions, given the cost of government and the taxes that governments are taking out of citizens' pockets.

That is a fair comment.

In light of Nova Scotia's toll road response to the "Death Valley" diversion initiated by the federal Minister of Public Works, will the Leader of the Government ask that minister to remain true to Liberal election promises and have the "Death Valley" fund diversion reversed?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will certainly pass on my honourable friend's comments to the ministers who are concerned with this issue.

The state of that highway is of great concern to all of us, as it would be were it in any other part of the country. The objective is to get that highway upgraded as quickly as possible. That is the fundamental concern of the Minister of Transport and, I assume, of all of those connected with this issue in the Nova Scotia government.

[*Later*]

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—RETURN OF FUNDS TO DESIGNATED HIGHWAY PROJECT—GOVERNMENT POSITION

**Hon. Donald H. Oliver:** Honourable senators, my question is supplementary to questions already raised by Senators Forestall and Comeau. It deals with the "Death Valley" diversion project. Could the Honourable Leader of the Government in the Senate give assurances to this house that the $26 million will be returned for its original intended purpose and for the particular project?

I might remind the honourable leader that there is a precedent for this in relation to the National Defence Adjustment Fund. She will recall from the media that $10 million was removed from that fund. Under pressure from many of the members of Parliament from Nova Scotia, those funds were returned. Can we have a similar assurance in relation to the "Death Valley" diversion project?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the assurance I can give to my friend is that I will pass on his plea to my colleagues.

[*Translation*]

## JUSTICE

GUN CONTROL LEGISLATION—AVOWAL BY THE PROVINCES NOT TO FINANCE REGISTRATION—GOVERNMENT POSITION

**Hon. Jean-Claude Rivest:** Honourable senators, on the weekend, the Prime Minister, the Right Honourable Jean Chrétien, was in Quebec City. He called on my friend the separatist mayor of Quebec City, Mr. L'Allier. Mr. Chrétien made some remarks I am in full agreement with, because he defended the administration of justice as a matter of exclusive provincial jurisdiction.

My question concerns the bill on firearms. You know that the Government of Quebec has already indicated its intention not to pay for the registration process provided by the bill. Three other provinces today endorsed the position taken by the Government of Quebec. Through its premier, one of the provinces, British Columbia, indicated that it would not participate in financing the firearms registration system either.

Is it still the policy of the Government of Canada to impose this financial aspect of the implementation of the bill on the provinces when, to date, four provinces, including Quebec, have refused to spend additional sums in order to implement this bill?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I want to check with the Minister of Justice on this question. I believe that in the past there have been agreements and arrangements on financing for gun control or these kinds of issues, and those arrangements will probably be extended in the future. However, I would like to get the facts for my friend.

• (1400)

GUN CONTROL LEGISLATION—CONSULTATION WITH PROVINCES PRIOR TO INTRODUCTION OF LEGISLATION—GOVERNMENT POSITION

**Hon. Lowell Murray:** Honourable senators, by way of supplementary, may I ask the Leader of the Government in the Senate to report to us on what consultations were conducted by the Minister of Justice with the provinces before presentation of his bill, which would require the cooperation of the provinces in its administration?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the Minister of Justice, over an extended period of time, undertook widespread consultations across the country. I will try to get a precise reading on his discussions with provincial colleagues.

GUN CONTROL LEGISLATION—FINANCIAL SELF-SUFFICIENCY OF REGISTRATION PROGRAM—GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, when the Leader of the Government is making inquiries relative to the gun control legislation, could she determine whether or not the program is to be self-sufficient? A number of the debaters in the House have suggested that the program will be self-sufficient, which means that, on registration, the gun owners will pay sufficient moneys to cover the cost of the project. Other arguments indicate that that will not be the case. I would appreciate knowing whether it is intended that the program should be self-sufficient, or whether the taxpayers will be paying anything with respect to registration for the gun control program.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, this is an area where the comments have been wide-ranging. The Minister of Justice has spoken precisely on this issue, and I will obtain a copy of his words for you.

GUN CONTROL LEGISLATION—COMMENTS OF PRIME MINISTER ON PROVINCIAL RESPONSIBILITY—REQUEST FOR CLARIFICATION

**Hon. Gerry St. Germain:** Honourable senators, perhaps the Leader of the Government in the Senate could clarify a statement made by the Prime Minister recently. He said that it was the responsibility of the federal government to pass criminal laws, and that it was the responsibility of the provinces to enforce those laws without question, even in cases where there is a huge financial question mark. My question is in line with that of Senator Rivest's. Can the Leader of the Government in the Senate give us some clarification on this point? Is it the position of the Prime Minister he will not negotiate with the provinces? In other words, that the provinces must do this, regardless of cost or consequences?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will add my honourable friend's question to my list.

It is the policy of this government that, on the various issues that require federal-provincial cooperation, there is continuing negotiation, discussion and consultation with the provinces.

## THE ENVIRONMENT

FEDERAL MANAGEMENT OF RADIOACTIVE WASTE MATERIAL— REPORT OF AUDITOR GENERAL OF CANADA— GOVERNMENT POSITION

**Hon. Janis Johnson:** Honourable senators, I should like to ask the Leader of the Government about the recent report of the Auditor General of Canada on federal management of radioactive waste, the conclusions of which are very disturbing.

The report indicates that Ottawa has so far spent $370 million on research to find a safe way to dispose of high-level nuclear waste. Yet, after having spent this money and conducted research for many years, no disposal technique has yet been approved. As was stated in the report, decisions must still be taken in Canada on whether and how to proceed to a disposal solution. The report also indicates that Canada lags behind other countries in this area, including Sweden.

What are the government's plans for the disposal of high-level radioactive waste in the future? Does the government have any plans for moving Canada's high-level radioactive waste program forward after March 1997, when the current federal funding to the program runs out? It is all very blurry right now. Can the Leader of the Government in the Senate clarify any of this for me?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to take my honourable friend's question to the Minister of the Environment and try to obtain a specific answer for her.

## HEALTH

REPORT ON TOBACCO PACKAGING—REQUEST FOR PARTICULARS

**Hon. Noël A. Kinsella:** Honourable senators, my question for the Leader of the Government in the Senate relates to an interesting publication prepared at the request of Health Canada and released last week — a publication which contains interesting photos and even more interesting observations. It is under the title "When Packages Cannot Speak: Possible Impacts of Plain and Generic Packaging of Tobacco Products. Expert Panel Report Prepared at the Request of Health Canada."

My question has three parts: First, how much did the Department of Health pay the panel of experts to produce this report? Second, contained in the report is what they call a visual image study. Can the leader find out who conducted that study? Third, how much were these experts paid for conducting that study, which incidentally contains a photograph of an honourable member from my province who sits in the other place.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to obtain the answers to my honourable friend's questions. I know the concern and urgency that he feels.

## VISITOR IN GALLERY

**The Hon. the Speaker:** Honourable senators, before I call the Orders of the Day, I would like to draw your attention to the presence in the gallery of the distinguished Minister of Justice for the Yukon Territories, the Honourable Doug Phillips.

**Hon. Senators:** Hear, hear!

# ORDERS OF THE DAY

## VETERANS REVIEW AND APPEAL BOARD BILL

SECOND READING

**Hon. Anne C. Cools** moved the second reading of Bill C-67, to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other Acts and to repeal the Veterans Appeal Board Act.

She said: Honourable senators, I am very pleased today to begin second reading on Bill C-67, a bill that promises to bring many benefits to Canada's veterans.

Honourable senators, one year ago a commitment was made to veterans by the Secretary of State for Veterans, the Honourable Lawrence MacAuley, that the government would reduce by half the time that it takes for a veteran to receive a disability pension. While numerous administrative change were made in the last few years to streamline the process, the legislation before us represents a giant step towards achieving the objective of reducing processing time. Bill C-67 will effectuate the measures needed to make the pension system more efficient and deliver pension benefits to veterans in half the time.

Before I describe the bill in greater detail, I should like to begin by giving a summary of how the veterans disability pension system came into being. Dating back to the First World War, the Government of Canada has a proud history of recognizing its obligations to servicemen and women injured in the line of duty.

Since the advent of a disability pension system for veterans, there has always been a laudable preoccupation with fairness and generosity. This was best expressed by the 1971 changes to the Pension Act, which developed the pension system that is in place today. While today's system is complex and slow, it was designed to be fair, to allow veterans ongoing access to the system through a two-level appeal process, and to resolve any doubts about the validity of a claim in the veteran's favour. An unfortunate result, however, is that the system has proven inadequate in dealing in a timely manner with the more complex and urgent needs of an aging clientele.

Honourable senators, in recognition of the fact that the system needed improvement, several studies were conducted, including the McCracken study in 1982, that of the Marin committee in 1984, another by the Nielsen task force in 1985, and a major pension evaluation study in 1992.

• (1410)

As recently as October 1994, the Subcommittee on Veterans Affairs of the Standing Senate Committee on Social Affairs, Science and Technology studied the issue of disability pension reform. Under the chairmanship of Senator Jack Marshall, whose work on behalf of veterans is renowned, that committee heard from many veterans' organizations and officials. They expressed frustration that a system designed to be generous and fair had become so complex and unworkable.

Our committee examined the current problems with the pension system, and also assessed the reform proposals from the Department of Veterans Affairs. These proposals form the basis of this bill.

A number of recommendations on pension reform were made in the report entitled, "Keeping the Faith". I am pleased to say that several of the most significant reform proposals made by the subcommittee are incorporated into this bill. I will draw these to the attention of honourable senators during the course of these remarks.

I want to describe for honourable senators the substance of this bill and how it will address the needs of veterans. It will reduce the time by half in which veterans will know if their applications for disability pensions have been approved. This legislation gives Veterans Affairs Canada the authority to make first level decisions. Area counsellors from the department, the same people who now counsel veterans on their health care needs, will be in a position to help veterans begin their applications for a disability pension. Staff from the district office will then either take the initial work of the counsellor or, in response to a request from a client, prepare a full and complete application for a disability pension.

Under this new system, there is greater awareness that first applications must be as complete as possible and that all relevant evidence must be collected. This is one of the key reforms the government hopes will reduce not only turnaround times but the number of appeals. Having the department rule on first decisions is a priority for the Secretary of State for Veterans, a measure which is supported by a recommendation in the report of the Senate subcommittee.

This bill also focuses the efforts of the lawyers in the Bureau of Pensions Advocates on preparing appeals for veterans. Lawyers can add to the appeal process their expertise where there may be complex legal issues involved. This reform more closely allies Canada with the veteran disability pension systems in the United States, Australia and the United Kingdom.

Honourable senators, I want to stress that the disability pension process was never meant to be a legal debate. A disability pension application is based on proof of service, a medical report on the claimed disability, and a statement or record linking the disability to the service. A lawyer is not needed to compile that information. However, since the client may — and often does — require counselling and assistance in collecting information, the department will continue to provide that counselling and help. Legal expertise is only required if and when there is something to challenge, namely, an unfavourable decision.

Another major component of this bill is the merging of the Canadian Pension Commission and the Veterans Appeal Board into one appeal body with two levels of appeal. This new board will be called the Veterans Review and Appeal Board. This key reform is also supported by the recommendations of the Senate subcommittee on Veterans Affairs.

Honourable senators, the government has consistently maintained that, despite the dramatic reforms being proposed, all veterans' benefits will remain intact. This bill will not take away any of those benefits. Veterans still have the right to a two-tiered appeal process. They can still count on the free help and expertise of qualified lawyers if their application goes to appeal. In making the appeal system more efficient, we will reduce the amount of time that it takes for veterans to receive their pensions.

Honourable senators in this chamber are well aware of the debt of gratitude that Canada owes its veterans. Over the past year, it has become obvious that Canadians from all walks of life and from all across the country are taking time to reflect on what our veterans have done to provide the freedom that we sometimes take for granted today. Many members will have noticed, for example, the cover story from the recent issue of *Maclean's* magazine entitled, "The War Generation". The cover reads, "Celebrating the Canadians who won the Second World War and Went on to Build a Nation".

The article tells the story of some of the individual men and women who served their country during those terrible years; Canadians who recall fighting Nazi submarines in the North Atlantic; Canadians who recall how they had to crawl through minefields prodding the ground with bayonets; Canadians who faced death in the skies over far-off countries; Canadians who reminisce about losing childhood friends to the horrors of war; Canadians who endured months in prisoner-of-war camps.

Honourable senators, one cannot help but be moved by these stories. It is very important during this fiftieth anniversary of the end of the Second World War that we encourage our veterans to share their stories. Their dedication and their sacrifice will inspire future generations.

However, at the same time that we honour our veterans and ask them to share with us their experiences, we must not forget our obligation to them as well. Canada has a pension system designed to help veterans cope with the disabilities they received in the war. Many veterans have now reached a point in their lives when old war wounds are causing problems. They have reached the age when a disability pension will make a big difference in their quality of life.

Honourable senators, the legislation before us will help ensure that veterans get their pensions sooner. That is a worthy objective; one I know that all senators on both sides of this chamber share.

**Hon. Finlay MacDonald:** Honourable senators, I congratulate Senator Cools on her exposition of Bill C-67.

Bill C-67 deals with the reform of the system of benefits put into place to aid those veterans seeking financial assistance as a result of injuries or disabilities incurred while serving their country during time of war and, more recently, during peacekeeping activities in different parts of the world.

As Senator Cools has pointed out, Canada has a long and proud tradition of looking after its people. Its veterans' pension system is an example for all the world. Over the years, adjustments have been made and reforms adopted in a continuing effort to ensure prompt, courteous and empathetic service.

Despite any reservations I have about Bill C-67, it is part of that tradition. However, while Canada's veterans' pension system is an example for the rest of the world, it is not perfect. Like any other bureaucratic system, it has its problems and its drawbacks. The most important of these is the amount of time it currently takes to receive and process a pension application. This ranges anywhere from 18 months to 36 months.

Honourable senators may or may not be aware that the average age of today's World War II veterans is almost 75. With this in mind, you will perhaps agree with me that obliging these people to wait for a minimum of a year and a half before a decision is rendered on their pension application is a little much. The need for some sort of reform is clearly here. The question is what kind of reform and how best to implement it.

You will forgive me here if my remarks seem somewhat truncated. I do not wish to get into a detailed explanation of the workings of the veterans' pension system at this point. I simply wish to outline as succinctly as possible the main principles of the bill and where I feel some of its major shortcomings are found. Other matters can be discussed in committee.

To address the problems of delay in the veterans' pension system, the government is proposing three main changes: First, it proposes to transfer the overall responsibility for veterans' pensions from the semi-independent Canadian Pension Commission to the Department of Veterans Affairs. Second, it proposes to restrict the activities of what is known as the Bureau of Pensions Advocates. Again, this is a semi-independent organization which provides veterans with independent, confidential counselling and advice concerning pension applications, as well as representing them in cases of appeal. The government wants to limit the activities of pension advocates to the appeal process only.

The third change involves merging the present Canadian Pension Commission and the Veterans Appeal Board into a new entity to be called the Veterans Review and Appeal Board. This body will be responsible for hearing appeals concerning veterans' entitlements to financial assistance, as well as disputes over the amounts awarded. In a nutshell, honourable senators, that is what Bill C-67 is all about. The government hopes that, together, these changes will streamline the veterans' pension system and reduce the present backlog of over 13,000 cases. It is a laudable goal and one with which I agree.

• (1420)

However, I am not entirely convinced that the government has chosen the best method to achieve that end. I am not alone in this. I have read the debates and the testimony in the other place. It is clear that there are genuine concerns as to whether this bill can accomplish its purpose of saving time. When pared to its essentials, this debate becomes one of structure versus process. Should the government be proposing, as it is, to restructure the pension system, at least in its visible parts, or should the government be striving to ameliorate the process of delivery by reducing overlap, setting attainable targets, insisting on greater efficiency and so forth? This, I think, is the essential question for the committee.

I am also concerned about the proposed concentration of discretionary power in the hands of the minister. It was precisely to get away from such a situation that semi-independent bodies like the Canadian Pension Commission were organized in the first place. Now the government is proposing to return to the old ways of doing things. In so doing, it is opening the door to outside interference, including the possibility of political manipulation and economic pressures related to a particular government's agenda. This in turn jeopardizes the integrity, impartiality and principles of the veteran pension system.

Another concern I have is that the government is pushing ahead with this bill before all the changes necessary to ensure its success have been properly implemented. I take as an example the form filled out by all veterans seeking assistance. Everyone agrees it needs to be redesigned. Yet, according to the testimony in the other place, only "a very preliminary draft has been pulled together." This leads me to wonder just how many more examples there are. If they are numerous, why is the government pushing to get this bill adopted?

My final concern is in regard to the human cost of this bill. I mentioned earlier that there are presently some 13,000 veterans awaiting decisions on their pension applications. Will the government's new system result in a significant saving of time? Will this bill really help speed things up, or will it result in further bureaucratic delay as a new system and new people are put into place?

That is not a purely academic question. I have before me a copy of *The Legion* magazine for April 1995. In the back is a rather sad section entitled, "The Last Post". I counted this morning and, as recorded in April, 765 veterans are no longer with us. I think my point is clear; the number of veterans is diminishing with each month and each year. There are 10 veterans of World War II in this chamber. There are none in the House of Commons.

Before adopting this bill, we must take a serious look at the provisions in order to ensure that, once it is in effect, it works as reliably and efficiently as possible. In the meantime, I reiterate my support for the principle of the bill, despite my concerns with certain of its provisions. Once in committee, we will discuss and develop our concerns.

**Hon. Orville H. Phillips:** Honourable senators, I would like to thank Senator Cools for her introductory remarks.

I am left in the very awkward position of following my colleague Senator MacDonald who always delivers a most interesting address.

During World War II, over 1 million men and 50,000 women served in Canada's armed forces. They served with distinction in all theatres of war. Today, approximately 500,000 veterans survive. As Senator MacDonald pointed out, their average age is approximately 75. Their numbers are decreasing rapidly.

Veterans Affairs Canada has 150,000 "clients", as they prefer to call them. Of that number, 96,000 veterans are in receipt of some form of disability pension or pension as prisoners of war. Sixty thousand clients are survivors of deceased veterans. To emphasize how rapidly the number of veterans is decreasing, it is expected that by the turn of the century survivors will exceed the number of veterans receiving disability pensions.

Officials in Veterans Affairs Canada, or DVA as I still prefer to call it, have told me that by the end of this year they anticipate 5,000 fewer veterans will be drawing benefits than at the beginning of the year. These statistics show the need to act quickly. However, in our urgency to pass legislation to assist, we must take a careful look at what we are doing.

Many bureaucrats, especially those who are involved in the restructuring of government departments, suggest that DVA will not exist as a separate entity in three to five years' time. Rather, it will become an appendage to some other department. In this regard, I have some concern about the tendency to link Veterans Affairs with the Department of National Defence.

Military brass have a great deal on their plate now as they try to purchase new equipment on a reduced budget. I do not foresee them spending a great deal of effort on the problems of veterans and their survivors. It is my preference that the department remain in existence as long as possible. However, if a change must be made, Veterans Affairs Canada should be linked with Health Canada. That department has much experience in health care which would greatly assist the further success of the Veterans Independence Program. As our veterans grow older, their wartime injuries become more aggravating and painful. In many cases, this added stress can bring on mental problems.

Politicians are often faced with the difficult task of explaining a particular situation to an individual who is affected by it. For me, the most difficult subject to address is that of pension rejection. A veteran will recite for me his record of service. He tells me that he gave up four or five years of his young life, that he is now 75 and living in pain. He needs help but he feels no one gives a damn. I have never been able to give a satisfactory answer to any veteran with those concerns. If anyone knows of a proper response, I would certainly appreciate learning about it.

• (1430)

Presently, a backlog of 13,500 cases is waiting to be adjudicated, plus an anticipated 15,000 who have been refused on previous occasions. With passage of this bill, those veterans who have been refused will reapply, in the hope of receiving better treatment.

Presently, a veteran may write a note stating that he is applying for a pension. That note is then passed to the Bureau of Pension Advocates. First, a file must be created, which takes about 10 weeks. I believe that period of time could be shortened. The medical records are stored in Ottawa. Most medical records consist of 150 to 200 pages. The Bureau of Pension Advocates then requests the records, and a group of people photostat the entire file and forward it to Charlottetown. The advocates then review the file, and decide whether or not there is basis for a claim on one condition or possibly more.

The application then passes to the précis writers, who review the file and make notations on it. The précis is then passed to a medical advisory board, consisting of 12 physicians, who then make recommendations. Later, I will discuss both groups further, but they require, on average, a total of three months for their deliberations.

What follows then is the entitlement decision. The case comes before the Canadian Pension Commission, which requires approximately one month for its deliberations. This is followed by a medical assessment. The veteran who has received a pension attends the regional office. The medical officer examines him and decides whether he is 20 per cent or 40 per cent disabled. However, even that decision is not enough. The matter must then be referred back to the medical advisory board in Charlottetown, and in turn, that board checks on the assessment of the regional medical officer. Here again, time is wasted.

Veterans Affairs Canada takes approximately one month to act upon the recommendations of the medical board, and recommend the payment due to the veteran. This recommendation is then forwarded to Supply and Services Canada, who takes approximately one month to forward the cheque to the veteran.

In appeal matters, two to two and a half years can be added to the delay. Therefore, there is a delay of a year and a half, and in the case of an appeal, two and a half years, and the average age of the veteran is 75. At those rates of delay, many veterans will not see their claims processed.

The précis writers and the medical advisory board have been favourite topics of mine for years. The précis writers look through a file to determine the particular condition or disability under which that veteran is applying for a pension. If they do not find it, and there is a comment at the end of the file which says, "No complaints on discharge", then the veteran must fight for his pension.

What seems to have been forgotten is that, at the time of discharge of most veterns, the medical officers were extremely busy tending to the wounded and the sick. They did not have time to keep a complete set of records. It is quite common to find items missing. It certainly is no fault of the medical officers in the field.

After the war, people were being discharged at the rate of about 3,000 a day. Those who were released early had the best hope for a job. Those who were returning to college or university wanted to be discharged in time to go to college in September, and the veterans who were buying farms or fishing gear wanted to get their fall ploughing done and get their gear ready for the next season. Here again was a reason for saying that there were no complaints.

The medical officer on discharge often would look at the veteran and say, "Can you see me?" The veteran would reply "Yes," and the eyesight would be checked off as being in order. The medical officer would then lower his voice and say, "Can you hear me?" When the veteran would respond "Yes," the hearing would be checked off as being in order. Veterans were rushed through that procedure, in many cases. On the other hand, if a complaint was registered, the examination and referral to hospital was excellent.

The medical advisory board is a small, incestuous group who make up their own rules. They report to no one. They pass on their recommendations. They have never seen the patient, and yet they will overrule the regional medical officer, who has seen the patient, as well as the outside specialists who have seen the patient. Each medical officer on the medical advisory board is expected to review at least 1,000 cases per year. In each case, they write up a report to be passed on to the Canadian Pension Commission. They proofread it, sign it, and send it on.

Those who have served on the medical advisory board tell me that, with all of their other duties, they are lucky if they have 45 minutes to deal with a veteran's file. This is most unfortunate. After all these years, a veteran should be entitled to receive more than a 20- or 45-minute consultation from a medical officer who is making such a decision. I often say that the opinion of the précis writer and the medical advisory board is as unchangeable as the laws of the Medes and the Persians.

• (1440)

Honourable senators, I have several concerns with Bill C-67. The first one relates to the power granted to the minister. I will not go into any further detail on that today because Senator MacDonald beat me to the punch, except to mention that the minister is given a great deal of power, and there is no right of appeal. I think it is wrong to grant that much authority to one individual and make no provision for appeal.

Clause 5(1) of the legislation states, in part, that:

> ...the Minister has full power to decide on all matters and questions relating to the award, increase, decrease, suspension or cancellation of any pension or other payment under this Act and to the recovery of any overpayment that has been made.

Here I see an opportunity for political interference. The Canadian Pension Commission was established to prevent this from happening. However, around election time, I can see a Liberal member taking the Secretary of State for Veterans Affairs out behind the curtain and saying, "Look, things are a bit tight in my riding. I need the support of this family, and one of them is very annoyed because he did not get his pension." The Secretary may say, "Well, I cannot do much about that." The Liberal member then says, "Oh, yes, you can because the bill gives you the final say in any award." If that clause remains in the bill, I think we will lose a lot of the equality and fairness that exists in the act.

Perhaps I am being unduly pessimistic, but as the government attempts to reduce the deficit and balance the budget, all departments will be cut back. No government will want to say it lopped $100 million off Veterans Affairs. However, the Minister of Finance will call the Secretary of State and say, "I want the $100 million taken off, and here is how you can do it. In the month of June, 1,000 clients died. Now you can replace —

**The Hon. the Speaker:** I wish to inform the Honourable Senator Phillips that unfortunately his time has elapsed.

Honourable senators, is there unanimous agreement that the honourable senator be allowed to continue with his remarks?

**Hon. Senators:** Agreed.

**Senator Phillips:** I thank honourable senators. I have attempted to condense my notes, but when I look at my headings, I keep expanding. I will attempt to cut back on my expansions.

The Minister of Finance will say, "A thousand clients died in June. Replace them with 800, but do not replace them until September or October. That way we will hide the decrease."

I have a name for clause 47. I call it the "Major Douglas McGowan M.C. clause." Major McGowan was divorced. Five years later he married the widow of another Military Cross recipient. In 1991, I believe the second wife was declared the widow for pension purposes. However, the matter kept coming back and coming back. It is of some interest that Major McGowan's daughter, Rose Ellen, is the wife of Premier Ghiz. Recently, the Canadian Pension Commission divided the pension between them. Major McGowan did not receive his disability until his second marriage.

I will be raising this matter in committee, but I want to make this observation to the Senate: A court settlement was reached in 1981. After all this time, I do not think Veterans Affairs should be altering that court decision. If we start doing that, we will lose a lot of time that could be spent clearing up this tremendous backlog. I hope that we will escape that scenario.

The next point I wish to touch on is the removal of the involvement of the pension advocate in the first application. The pension advocate does a tremendous amount of research. For example, navy Corvettes did not have doctors on board, but rather medical technicians, who perhaps did not know a great deal about record keeping. Pension advocates are able to search ships' logs, find out who else was on the crew, and trace them to provide proof of the injury. The same service applies in army cases of shell shock or where shell fire damaged the hearing of an individual. Pension advocates can find out from the

regimental diary or the archives whether these events did occur and quite often are able to obtain letters from the surviving officers to support the case.

I had better not forget the air force. Those on coastal command developed hearing problems. The Wellington bomber was taken out of service as a bomber and put in the coastal command. They flew at low altitudes. The Wellington leaked like a basket. The end of the propeller was only eight to ten inches from the head of the pilot. As a consequence of the long flights, they experienced a great deal of damage to their ears.

The Bureau of Pensions Advocates will still be available for appeals. However, pension advocates have been removed from the chain of command. They have no way of knowing whether the status of an application is positive or negative. I can find nothing in the act that requires that the veteran be notified that he can go to the BPA on appeal.

The department is gearing up to put this legislation into effect July 1. I have one question in that regard, and the sponsor of the bill may want to leave it for the committee: What happens to cases already in progress? The pension advocate has been working on these cases for three to four months. Does he quit on July 1? Does the veteran lose that benefit? These are things that we will find out at the committee stage of the bill.

One veteran pointed out to me that it is rather odd that Canada can provide free legal service for criminals, whether it is for murder, rape, theft or illegal immigration. Last year, the Province of Ontario spent $19 million in legal fees to assist illegal immigrants. Surely veterans are entitled to the same free legal assistance that is afforded to criminals or to illegal immigrants.

• (1450)

Bill C-67 replaces the members of the Canadian Pension Commission and the Veterans Appeal Board. Last year — and Senator Cools will remember this — Ms Whalen, Chairperson of the Veterans Appeal Board, stated that it takes one and one-half years to train a new member, and two years before she would trust a new member to chair a hearing. This bill removes all of the present members. That causes me some great concern. I should like to see the government retain some experienced members so that they can help out with the training of new members.

Honourable senators, I have a copy of the draft here to which Senator MacDonald referred. Some of the questions that were asked will be almost impossible to answer. This is an 11-page application. They ask for the names of the doctors visited and any specialists visited. I do not think too many members of this chamber could recall that information. Our population is very mobile now. The applicant may have lived in New Brunswick for two years, for 10 years in Ontario, and spent the rest of his time in Western Canada. He may have forgotten the name of the doctor, or in many cases the doctor has retired or is deceased. I had thought that we were to depend on the family physician's report, not the whole history from the time of discharge to the present time. I hope that we can get a better application form than the draft proposal that I am talking about here.

Presently, 30 per cent of the pensions are awarded on the first hearing, 70 per cent are awarded by the Canadian Pension Commission and 10 per cent are awarded by the Veterans Appeal Board. The hope is that 70 per cent will be awarded on the first application. However, I do not see that magic formula in this bill. I hope it is there, but I have gone through the bill thoroughly a number of times. I would hope that when the minister appears before the committee he will show us where that magic formula is, and how we can reverse the number.

Thank you, honourable senators, for granting me that extra time. When we get to committee stage, I hope that those of you who are not members of the committee will still feel free to attend.

**Hon. L. Norbert Thériault:** Briefly, honourable senators, I wish to join with Senator MacDonald, Senator Phillips and Senator Cools to say a few words about this bill and the possibility of cutbacks.

I have been talking to people in the department, and I am concerned. Rumours are rife that the VIP program will be slashed. Many veterans have reached the age and the time of life when they cannot stay at home, and must be placed in nursing homes or in veterans homes. For those pensioners, the costs of those homes have increased from what it was seven or eight years ago. It has increased from $300 to $500 to $740 per month, and absorbs almost all of their old age pension — that is, if they have no other income and no war pension. Even if they had a Veterans Allowance pension, that does not count, because the Old Age Guaranteed Annual Income erases the Veterans Allowance income.

I am concerned about doing away at the first instance with the Bureau of Pensions Advocates. From the work that I have tried to do on behalf of veterans — and I must now do this myself, since Jack Marshall, who used to look after these matters for me, has retired — I must agree with Senator Phillips that the bureau is of great assistance to the older and less informed veterans. We were extremely fortunate that they went to war on our behalf 50 years ago and more.

When the committee begins its study of this bill, the members of that committee will hear from the minister. I would beg them to ensure at that time that monetary assistance is still available to the veterans. Ever since I became a legislator, I have had concerns about the power given to ministers. However, I have no concern about the Secretary of State for Veterans Affairs. I am sure that he will do all that he can on their behalf.

Those of us who remember our veterans must keep in mind that more and more the people in the bureaucracy are younger, and more and more of the people in the other House are less aware of the veterans' experiences during and after the war. As someone has said, there are no veterans left over in the other place, and without their presence, we soon forget. At the most, there are only 10 or 15 years left for those veterans. Some of them have only three, four or five years left. I have hesitated to speak on behalf of veterans because I felt at times that I was in a conflict of interest situation. I had two brothers who were veterans, but they have both died over the last two years.

I hope this house will ensure the protection of our few remaining veterans to whom we owe so much before this bill returns to the other place. I have had the pleasure of accompanying veterans to Korea, Holland and Belgium over the last few years. I am able to appreciate what those people went through. We must ensure that, in this day of budget cutting, this right wing agenda, whether it be a Liberal or a Conservative agenda, does not affect those surviving veterans today.

**Hon. Philippe Deane Gigantès:** Honourable senators, there is a group of 200 veterans who presently reside in England. They are being asked to return to this country in order to receive their benefits. That may be a mistake, since they would cost us more in hospitalization here than if they stayed with their families in England. If it is a question of making sure they are still alive and are entitled to their benefits, this small number of 200 can easily be checked by diplomatic authorities in England. That should be done. These people have been asking for help for so long, and they should get it.

Motion agreed to and bill read second time.

• (1500)

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Cools, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.

## FIRST NATIONS GOVERNMENT BILL

SECOND READING—MOTION TO DEFER SPEAKER'S RULING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Tkachuk, seconded by the Honourable Senator Twinn, that the Order for the second reading of Bill S-10, An Act providing for self-government by the first nations of Canada, be postponed until the Standing Senate Committee on Aboriginal Peoples, to which is now referred the subject-matter of this Bill, has presented its Report on this order of reference to the Senate. — (*Speaker's Ruling*)

**The Hon. the Speaker:** Honourable senators, on Wednesday, May 10, during proceedings on Bill S-10, Senator Gauthier initiated a series of exchanges among senators by asking what seemed to be two simple questions. As I understand it, he wanted to know where Bill S-10 would be if the motion of Senator Tkachuk were adopted. He also wanted to know if he would have an opportunity to raise a point of order respecting the bill.

After Senator Gauthier raised his questions, the Senate decided to revert to the point where Senator Tkachuk had obtained the leave of the Senate to move his motion, effectively nullifying the actions just taken by the Senate to postpone the second reading of the bill while its subject-matter was being examined by the Standing Senate Committee on Aboriginal Peoples.

Let me try now to address the questions raised by Senator Gauthier, and some other issues which also came up during the discussions that day.

Should the Senate decide to adopt the motion of Senator Tkachuk, it would be resolved that the bill stand on the Order Paper and remain there notwithstanding the provisions of rule 23, until such time as the Standing Senate Committee on Aboriginal Peoples reported on the bill's subject-matter. The order for second reading of Bill S-10 would be suspended, and it would be out of order to proceed to second reading before the committee reports, unless the Senate should decide to further amend its order.

Had the adoption of Senator Tkachuk's motion not been nullified, Senator Gauthier could not have raised his point of order at this stage without the consent of the Senate. This is because there would have been nothing before the Senate to which he could link his point of order. Having decided what to do for the time being with Bill S-10, the Senate would proceed to another item of business.

However, since the Senate has yet to dispose of Senator Tkachuk's debatable motion and it is still before us, Senator Gauthier would be within his rights to raise his point of order during debate on it. I trust that I have successfully answered the two questions posed by Senator Gauthier.

[*Translation*]

Certain other comments were made May 10 regarding these proceedings. They relate to the procedural acceptability of Senator Tkachuk's motion to refer the subject-matter of a bill to a committee while retaining the order for second reading of the same bill on the Order Paper.

According to one point of view, the proper procedure would be to order the discharge of the bill at the time that its subject-matter is referred to a committee. In support of this position, references were made to the practices of the other place.

It is my understanding that, when this procedure is used in the other place, it ordinarily takes the form of an amendment to the second reading motion of the bill, which seeks to refer the subject-matter and discharge the second reading motion from the Order Paper.

What Senator Tkachuk proposed on May 10, in this house, was a different procedure. When the Order of the Day for the second reading of Bill S-10 was called, he rose and asked for leave to move a motion that the bill's subject-matter be referred to the Aboriginal Peoples Committee and that the second reading of the bill be suspended until the committee presented its report. This type of motion, being an order of reference to a committee to examine the subject-matter of a bill, normally requires one day's notice according to Senate Rule 58(1)(*e*). However, since leave was requested and given, the notice requirement was waived.

As to the procedural acceptability of such a motion, I can find nothing in the *Rules of the Senate* which would prohibit it. To the contrary, I have found examples of various kinds in which the Senate referred the subject-matter of a bill to a committee while keeping the reading motion of the bill on the Order Paper and not discharging it.

[*English*]

I refer honourable senators to the decision of this house made in November, 1982 with respect to Bill S-31, to limit shareholding in certain corporations. During debate on second reading on November 8, an amendment was moved to not read the bill a second time now, but to refer the subject-matter of the bill to the Standing Senate Committee on Legal and Constitutional Affairs. The amendment was adopted and the bill remained on the Order Paper; it was not discharged. In subsequent discussions on this point several days later, on November 16, other examples were cited to support the notion that this was an established practice in the Senate. In fact, one precedent mentioned dated back to 1946.

[*Translation*]

I also refer honourable senators to the *Debates of the Senate* of March 3, 1993 regarding Bill S-13, a private bill that sought to incorporate the Dai Al-Mutlaq as a corporation sole in Canada. Again, an amendment was proposed and adopted without objection to refer the subject-matter of the bill to the Standing Committee on Legal and Constitutional Affairs. Consequently, the bill remained on the Order Paper and was not called for debate while the committee studied the issue. As it happened, no additional action was ever taken with respect to this bill, because Parliament was dissolved before the committee reported on the subject-matter.

[*English*]

These examples are meant to prove just one point — that it is possible, according to the practices of the Senate, to refer the subject-matter of a bill without discharging the second reading motion. The motion of Senator Tkachuk is probably without precedent in taking the form of a motion, rather than an amendment. This fact, however, does not mean it is out of order.

Needless to say, it is also possible to move a motion to refer the subject-matter of the bill to a committee and discharge the reading motion. It is an option that the Senate can use when considering what to do when a bill has reached second reading.

[*Translation*]

Indeed, this is what happened initially with Bill S-8, an Act to prohibit smoking in public places, after it was called for second reading in May 1986, but the situation did not end there. Some days later, by unanimous consent, the Senate modified its decision to permit the restoration of the bill to the Order Paper at the second reading stage, once the committee had reported on its subject-matter.

[*English*]

In the final analysis, it is up to the Senate to determine how it wishes to proceed. Depending on the circumstances, the decisions may not always appear consistent. Be that as it may, it is not the role of the Chair to obstruct the evident will of the Senate in the way it decides to pursue its deliberations.

With respect to the motion proposed by Senator Tkachuk, the Chair has no objection. If the Senate agrees, the bill would continue to be on the Order Paper, and it would not be called for debate at second reading until such time as the Standing Senate Committee on Aboriginal Peoples has reported on the subject-matter of the bill.

Debate could then proceed on Senator Tkachuk's motion.

SECOND READING DEFERRED

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Question.

**The Hon. the Speaker:** The order before us is:

> Resuming the debate on the motion of the Honourable Senator Tkachuk, seconded by the Honourable Senator Twinn, that the Order for the second reading of Bill S-10, An Act providing for self-government by the first nations of Canada, be postponed until the Standing Senate Committee on Aboriginal Peoples, to which is now referred the subject-matter of this Bill, has presented its Report on this order of reference to the Senate.

**Hon. Jean-Robert Gauthier:** Honourable senators, I know it is Wednesday, and thus I am conscious of the fact that there are committees that wish to meet this afternoon. Therefore, I will not take this opportunity to debate the points which I believe arise in regard to the motion for second reading of this bill.

It seems to me there are some implications with regard to Bill S-10 which need to be discussed and debated in this house. I believe the house would benefit from advice from the Table as to the acceptability of this bill. However, I will reserve my right to speak on this matter until the bill is brought back, if it is brought back, for second reading debate.

I understand now that we are debating the motion of Senator Tkachuk to refer the subject-matter of this bill to committee and not the motion for second reading.

**The Hon. the Speaker:** Are honourable senators ready for the question?

**Hon. Senators:** Question.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion of Senator Tkachuk?

**Hon. Senators:** Agreed.

Motion agreed to.

## CANADA-CHINA RELATIONS

HUMAN RIGHTS IN CHINA AND TIBET—DEBATE ADJOURNED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Di Nino, seconded by the Honourable Senator Keon:
>
> That the Senate urge the Government of Canada to express concern over continuing reports of violations of human rights and fundamental freedoms in China and particularly Tibet by local, provincial and national

authorities and severe restriction on the rights of citizens to freedom of assembly, association, expression, religion as well as to due legal process and fair trial; and

That the Senate urge the Government of Canada to encourage the People's Republic of China to take further measures to ensure the observance of all human rights including the rights of women and children and to improve the impartial administration of justice; and

That the Senate request the Government of Canada to encourage the Government of the People's Republic of China to allow foreign delegations to Tibet to study the human rights situation, the state of religious freedom, the status of women, the treatment of Tibetan children and prison conditions; and

That the Senate urge the Government of Canada to extend support to Tibetan people in their struggle to regain their freedom and the preservation of their culture; and

That the Senate encourage the Government of Canada to support the non-violent efforts of His Holiness, the Dalai lama, to resolve the issue of Tibet, particularly the Dalai lama's campaign to make Tibet a zone of ahimsa, non-violence, through demilitarization and the protection of Tibet's natural environment; and

That the Senate implore the Government of Canada to ask the Chinese authorities to commence negotiations with His Holiness, the Dalai lama and to the Tibetan government in exile and representatives of the People's Republic of China on the future of Tibet **without preconditions**. — (*Honourable Senator Perrault, P.C.*)

**Hon. Raymond J. Perrault:** Honourable senators, this motion relates to Canada and the human rights situation in China and, in particular, Tibet.

China invaded Tibet in 1949. An open resistance to the Chinese occupation escalated into a 1959 uprising which was crushed. The Tibetan leader, the Dalai lama, fled to India where he now resides with the Tibetan government in exile.

When Canada established diplomatic relations with the People's Republic of China in 1970, it recognized the PRC as the sole legitimate Government of China. The Canadian government has taken a neutral position on Chinese territorial claims; it neither challenges nor endorses them. Canada does not recognize the Tibetan government in exile, led by the Dalai lama and based in Dharmsala, India. However, Canada recognizes the Dalai lama as a spiritual leader who earned the Nobel Peace Prize in 1989 for his dedication to peace and human rights.

In his capacity as spiritual leader, the Dalai lama met Secretary of State for Multiculturalism Gerry Weiner in September 1990. Former Secretary of State for External Affairs, Barbara McDougall, also met the Dalai lama during his visit to Canada in June 1993. This visit was seen by Canada as a strictly private one made by a spiritual leader.

While Tibetans practise their religion without interference from the Chinese government, the human rights situation remains grave. Mixing religious and cultural affirmation with public expression of Tibetan nationalism brings swift and harsh responses from Chinese authorities. Canada is deeply concerned about the human rights situation in Tibet. Our concerns have been regularly raised with Chinese authorities at all levels in bilateral meetings, with multilateral organizations and in international venues.

Canada established diplomatic relations with the PRC in 1970. At that time, Canada recognized the PRC as the sole legitimate Government of China. Canada has taken no position about specific Chinese territorial claims. It has neither challenged nor endorsed them. Canada does not recognize the Tibetan so-called "government-in-exile", led by the Dalai lama and based in Dharmsala, India.

Canada recognizes the Dalai lama as a spiritual leader who earned the Nobel Peace Prize in 1989 for his dedication to peace and human rights. The great mass of Tibetans is free to practise their religion without interference from the Chinese government, and do so. However, the human rights situation remains grave. As I have said, mixing religious and cultural affirmation with public expression of Tibetan nationalism brings swift and harsh response from Chinese authorities.

Canada is deeply concerned about the human rights situation in China, including Tibet. Canada is aware that these conditions have not improved in recent years. Canada believes that the human rights situation in Tibet will not improve until the general PRC human rights do so. Canada's policy regarding Tibet is a two-tier policy pressing both for greater respect of human rights in China in general but also Tibet in particular.

Canadian concerns regarding human rights in China have been raised regularly with Chinese authorities at all levels. They were raised at the most senior level of the Chinese government during Prime Minister Chrétien's visit to China last fall. Mr. Chrétien explained that Canada intends to maintain a constructive dialogue with China on human rights issues.

Canadian concerns have also been expressed in international bodies, such as the United Nations Commission on Human Rights, or UNCHR. During the last meeting of the UNCHR in March, Canada clearly expressed to Chinese authorities that many of their human rights practices are not acceptable and do not conform to internationally accepted human rights standards.

Canada believes that the establishment of the rule of law based on international principles of human rights is the best means to accomplish this goal. To this end, Canada, in cooperation with Chinese authorities, is developing and implementing several projects intended to strengthen China's judicial structure. The Prime Minister signed several agreements on these projects during his November visit. I believe this approach will ultimately contribute to the development of democracy and the rule of law in China.

Canada will continue to make its views on human rights known to the Chinese leadership. At the same time, Canada is undertaking specific and progressive initiatives to engage Chinese decision-makers at all levels in programs that will facilitate positive changes in China, including Tibet.

In conclusion, I wish to point out some examples of Canadian projects related to human rights and the rule of law and implemented in China. One such example is the linking of the University of Ottawa and Beijing University of International Law. The objective of this project is to foster the development of joint research and education in the area of human rights, international law and human development in China. The project, which is just getting under way, will consist of mainly joint research, training, scholarly exchanges and seminars.

Would members of the opposition vote against such an initiative? Of course not. They would be enthusiastic supporters of such a project.

A project between the Canadian and Chinese Bar Associations is aimed at supporting reform of the legal system and promoting the rule of law in China. This project will bring Chinese lawyers to Canada to familiarize them with Canadian legal practice, particularly the concepts of judicial independence and the rule of law.

A project entitled, "Technical Assistance to the Revision of China's Criminal Law Procedures" will help China prepare a plan to reform its criminal law in order to better protect the rights of the accused. The program is conducted jointly by my alma mater, the University of British Columbia, and the Beijing University of Politics and Law. The project aims to improve Chinese understanding of foreign criminal codes by sending foreign criminal procedures experts to lecture Chinese scholars and bringing Chinese scholars to Canada to carry out follow-up research.

Another initiative is the Women's Law Program, something which I know members of the opposition would support. The objective of this program is to work with the All-China Women's Federation in promoting awareness of China's women's law and strengthening the network of women's law advisory groups through training and technical assistance, thereby enabling Chinese women to defend their interests.

• (1520)

Honourable senators, it is with pride that I make this statement today on behalf of the government.

**Hon. Lowell Murray:** I thank the honourable senator for his statement and, in particular, for indicating that what he has just placed on the record is the authorized policy of the Department of Foreign Affairs. May I ask him whether he knows if that statement was drafted before or after the announcement by Mr. Ouellet of the government's new policy, equating the linkage of human rights to other activities with "boy scoutism," and eschewing for Canada the role of boy scout?

**Senator Perrault:** The honourable senator is well aware that any suggestion that human rights are being abandoned for commercial benefit is a gross exaggeration and distortion of the facts. No one is more committed to human rights in the Parliament of Canada than the Right Honourable Prime Minister and his associates.

**Senator Murray:** Would the honourable senator do us the service of bringing in and reading into the record the statement of Mr. Ouellet on the subject of human rights and "boy scoutism" made recently in Vancouver?

**Senator Perrault:** It is encouraging to note the avid interest in the statements and pronouncements made by the Prime Minister and the Minister of Foreign Affairs. I am sure that we could provide copies of several of his recent speeches to further edify the honourable senator.

**Hon. Noël A. Kinsella:** The honourable senator made reference to human rights and women in the People's Republic of China. Does the honourable senator agree with the Government of China's decision to move the international non-governmental forum next fall 40 miles outside of Beijing?

**Senator Perrault:** I have no information on that matter. The question should properly be directed to our respected Leader of the Government in the Senate.

**Senator Kinsella:** Perhaps the honourable senator, in light of what he has said today, might wish to tell us his views as to the Government of China's decision in the past couple of days to place under arrest a large number of Chinese nationals who participated in the Tiananman Square incident a few years ago.

**Senator Perrault:** I have no information on that subject. May I suggest the member place his question on the Order Paper or that he ask it during Oral Question Period.

On motion of Senator Berntson, debate adjourned.

## BUSINESS OF THE SENATE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, before moving the adjournment, might I remind honourable senators that several committees are due to begin their hearings today at 3:15. I know witnesses have been called. I urge all honourable senators to proceed immediately to their respective meetings. Accordingly, I move that the Senate do now adjourn.

The Senate adjourned until tomorrow at 2:00 p.m.

# THE SENATE

**Thursday, May 25, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## BUSINESS OF THE SENATE

**The Hon. the Speaker:** Honourable senators, I will ask Senator Corbin to take the Chair and call for Senator's Statements, since I wish to make a statement on this occasion.

**Hon. Eymard G. Corbin (Acting Speaker)**, in the Chair.

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# SENATORS' STATEMENTS

## THE LATE HONOURABLE DOUGLAS L. CAMPBELL

TRIBUTE

**Hon. Gildas L. Molgat (Speaker of the Senate):** Honourable senators, I wish to draw the attention of the Senate to an important event which was to take place this Saturday, May 27, 1995.

I refer to that date which would have been the birthday of the Honourable Douglas L. Campbell, a distinguished Manitoban and a distinguished Canadian.

Mr. Campbell was the Premier of Manitoba for 10 years, a cabinet minister for 22 years, and sat continuously in the Manitoba legislature for 47 years — from 1922 until 1969 — a Commonwealth record for unbroken service. Unfortunately, Mr. Campbell died one month ago. He died in his ninety-ninth year in the eleventh month. So, to our great regret, we Manitobans will be unable to celebrate this significant birthday.

Mr. Campbell, during his period as premier and as minister, did great things for his province. He was known by many Manitobans for a great project of rural electrification in the post war period. As a result of that project, every farm and home in Manitoba was serviced with electricity ahead of any other province.

He ran a very efficient government. When he left office, the province was debt-free — I am not saying deficit-free, but debt-free — except for those utilities which had self-sustaining debts.

Mr. Campbell viewed as his most important contributions to Canada two outstanding pieces of legislation which he initiated and which were subsequently adopted by many of the other provinces and, notably, by the federal government. I refer to the Independent Electoral Boundaries Commission, the first in Canada. The choice of boundaries was removed from the hands of politicians and put into the hands of an independent commission. Ottawa followed this practice many years later. The other piece of legislation which is lesser known but of equal importance — and I have said it in this house on a number of occasions — is the creation of the Scrutiny of Regulations Committee. He established the first committee on the Scrutiny of Regulations in Canada. Subsequently, the idea was taken up here in Ottawa, and we now have a joint committee to deal with regulations. This was an important democratic course of action.

We Manitobans regret that we will be unable to celebrate the one-hundredth birthday of this great Manitoban on Saturday. We extend to his family our sincere condolences.

## GOVERNOR GENERAL'S MEDAL OF BRAVERY

FELICITATIONS TO RECIPIENTS

**Hon. Gerald J. Comeau:** Honourable senators, I rise today to pay tribute to seven individuals from my region of Digby County who are recent recipients of the Governor General's Medal of Bravery.

On November 30, 1993, a fishing boat went aground on Dartmouth Point, Long Island, in Nova Scotia. The crew called for help and two boats risked dangerous sea conditions to respond to the call. Clifford and Clint Tinker, along with Carl Barnaby, were able to manoeuvre their small boat closer to the rocky ledge, while Roy Graham, Rosalind Graham, James Swift and Vance Dixon, who were in a larger vessel, were able to assist in pulling three men to safety. Sadly, the captain of the stranded boat drowned that day in the rugged waters of the Atlantic. Thanks to the heroic actions of these seven Nova Scotians, it was possible to save the lives of the remaining crew members.

Those who spend their lives on the rough seas of the Atlantic are never far from danger. There is no hesitation when one is called upon to save the lives of their fellow fishermen, despite the enormous risk to their own lives.

For those brave individuals from Digby County who were willing to sacrifice their own lives to try and save the lives of others, may I extend sincere congratulations on their heroic efforts and our thanks.

## THE HONOURABLE LANDON PEARSON

FELICITATIONS ON RECEIVING HONORARY DEGREE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, tomorrow one of Canada's great universities, Wilfrid Laurier University, whose President is the Honourable Lorna Marsden, a respected former member of this chamber, will confer an honorary Doctor of Laws degree on one of our most esteemed colleagues, the Honourable Landon Pearson.

Long before Landon Pearson graced this chamber with her presence, many of us knew of her work with and on behalf of children in many countries around the globe. Only a few examples of her involvement will serve to illustrate the broad scope of her commitment to children of the world.

In 1979, she was the vice-chairperson of the Canadian Council for the International Year of the Child. She later became chairperson of the Canadian Council on Children and Youth, and subsequently was a founding member of the Canadian Coalition on the Rights of Children. Senator Pearson has spearheaded preventative programs in children's mental health here in Ottawa as well as innovative new centres for children at risk.

• (1410)

Many honourable senators may know that her book, *The Children of Glasnost*, was a remarkable accomplishment, not only because of the windows that she opened on the Soviet educational system on the eve of and throughout the Gorbachev period, but, perhaps even more important, because of the insights the reader could gain on Landon Pearson herself.

I personally found it fascinating to learn that Senator Pearson studied a whole generation of Soviet students, beginning in the early 1980's with her initial contact during first grade at Public School No. 59. She met them for the last time during grade 10 in their final year of secondary school. She lived with them and their system over a fascinating decade in the history of the U.S.S.R. She met with their parents and educators. She studied the Soviet childhood experience in the classrooms, at the summer camps, on the farms, in the hospitals and in their homes.

She found a society in the dawning hours of democracy, not hard and rigid, as many of us in the West might have thought, but an entire people who care deeply about what Senator Pearson called "childhood in promise".

Although this was a country where the educational system had been designed on the precepts of scientific socialism, she was able to look clearly at a far deeper reality. She was able to uncover a society in which she discovered monumental efforts were being made, in some ways perhaps more significantly than in the West, to create a more compassionate and humane society for the children of the future.

Senator Pearson wrote of the children of School No. 59, of this remarkable generation, with clarity and with depth but most important with hope and with great sensitivity to the events which unfolded around her.

I want to quote directly from one of her writings:

> Watching these children, so ordinary, so normal, so like children I had known in other countries, I found myself looking at them with hope.
>
> But neither I, nor any other foreign observer, speculating about the future of the Soviet Union in those dismal days, foresaw what is happening there now; the astonishing opening up of the Soviet society under Gorbachev.
>
> These children were more fortunate than we knew. Every generation represents a new chance for its nation, but this one is more likely to fulfil its promise than any other since the revolution. If it does, then the Soviet Union will be richer — and so will the rest of us.

Honourable senators, it is true that every generation does represent a new chance for its nation. In that sense, all countries are in a state of continuing *glasnost*. However, there are always those very special people who help open up our minds and our hearts to the promise of childhood.

When Senator Pearson receives an honorary doctorate from Wilfrid Laurier University tomorrow, it will be a reminder, not only of the extraordinary pathfinder role which she has played on behalf of children around the world, but also of the fact that the road to a better future, for the generations yet to come, is still incumbered by many painstaking obstacles and that much work lies ahead for all of us.

In the name of all honourable senators, congratulations, Senator Pearson. We are all very proud of you.

[*Translation*]

## THE HONOURABLE JEAN-LOUIS ROUX

### FELICITATIONS ON RECEIVING HONORARY DEGREE

**Hon. Jacques Hébert:** Honourable senators, I would like to join with Senator Graham in congratulating my colleague Senator Pearson on the well-deserved honour accorded her.

At the same time, I will take the opportunity to inform you, in case you did not already know, that the University of Ottawa will be awarding an honorary doctorate on Saturday, June 23 to another of our eminent colleagues, Senator Roux, one of Canada's most outstanding men in the theatre.

## OFFICIAL LANGUAGES

### DISSOCIATION FROM A STAND TAKEN BY A MEMBER OF PARLIAMENT

**Hon. Jean-Robert Gauthier:** Honourable senators, more than 25 years have passed since Parliament adopted Canada's first official languages legislation, which followed from the recommendations of the Laurendeau-Dunton royal commission of inquiry and which established a program of language equality for the two founding peoples. Since 1969, consistent progress has been made in ensuring that both official languages are given due respect in Canada.

Here are some examples: federal funding of post-secondary education in the minority language; bilingual labelling on all consumer products; the parliamentary resolution of 1973 reaffirming the principles of the Official Languages Act and setting out the conditions for public servants to perform their duties in the official language of their choice; the use of French in air traffic control operations; the amendment to the Criminal Code to enable parties in litigation to request a trial in one or other official language; the establishment of a parliamentary

committee on official languages; the inclusion of sections 16 to 20 in the Charter of Rights and Freedoms, which enshrine in the Constitution the official and equal status of English and French within federal institutions; and, more specifically, the inclusion of section 23, which accords linguistic minorities the right to receive instruction and to manage their schools; and the establishment of the Court Challenges Program. I could go on.

The reason I raise this matter today is that, in the other House, a Reform Party member took a resolution I had tabled last year and retabled the resolution or motion in the House with the same wording, but with the following preamble, and I quote:

> I would ask honourable members to give careful consideration to the wording of the motion without making hasty judgment. Whatever your personal opinion or your party's guidelines on official languages, I think we would all do well to have another look at the Official Languages Act.

Honourable senators, I never advocated a review of the Official Languages Act. What I requested last year was that we examine the application of the legislation across the country. It goes without saying that I dissociate myself from the interpretation the member intended for this motion. My original intent was to review the application of the Official Languages Act as adopted by this Parliament. Certain parts of it, and I could name a few, are not in effect in the country, in certain provinces, particularly with respect to school administration. In my province of Ontario, for example, school administration does not yet comply with Canada's Constitution.

I want to make sure that official languages legislation is applied according to the letter and the spirit of the law and not contorted as the Reform Party would have it. They are saying, in an effort to frighten Canadians, that this legislation, adopted in 1969, is the source of all of Canada's problems.

[*English*]

## NATIONAL MISSING CHILDREN'S DAY

**Hon. Landon Pearson:** Honourable senators, I am very grateful to all of you for your support. I had no idea that this honour was about to be bestowed upon me when I prepared my statement for today, which happens to be National Missing Children's Day. My interests remain unchanged.

I rise today to recognize National Missing Children's Day, which is being celebrated in conjunction with Child Find's Green Ribbon of Hope campaign. National Missing Children's Day was first proclaimed in 1986, and is recognized by the Solicitor General of Canada.

Nothing leaves a greater hole in our hearts than the idea of a child gone missing. At any one time in Canada, there are approximately 1,600 missing children listed on the RCMP Missing Children's Registry. Children do not simply disappear. They either run away or they are abducted. In either case, they are torn away from their homes, schools and communities. Sometimes they end up living on the street, or living on the run. They are always children at risk.

The UN Convention on the Rights of the Child, which Canada ratified in 1991, states in Article 35:

> States Parties shall take all appropriate national, bilateral and multilateral measures to prevent the abduction of, the sale of or traffic in children for any purpose or in any form.

In addition, Article 11 declares that:

> 1. States Parties shall take measures to combat the illicit transfer and non-return of children abroad.
>
> 2. To this end, States Parties shall promote the conclusion of bilateral or multilateral agreements or accession to existing agreements.

To this end, Child Find Canada, in partnership with eight provinces, has developed a network of cooperative agencies, working together in the common mission of assisting in the location of missing children. Through this network, Canadian and international policing agencies, international social services, immigration agencies and Canada Customs — under Project Return — and U.S. Customs, as well as other legitimate searching agencies, assist one another in reuniting children with their lawful parent or guardian.

For this purpose, Child Find maintains a national toll-free number and has just gone on-line with Internet and SchoolNet. Each provincial Child Find organization also delivers education and programs pertaining to children's safety, and works to prevent future abductions and the exploitation of children through child fingerprinting clinics, the publication of pictures of missing children and the recognition of Missing Children's Day.

• (1420)

Honourable senators, Child Find Canada is a non-governmental organization which embodies the best of Canadian values — compassion, cooperation and effectiveness. Incorporated in 1988, this organization depends to a great extent on the commitment and energy of its volunteers. It receives no government funding for its programs, relying instead on the support of the corporate community, concerned individuals and the Green Ribbon of Hope Campaign.

The Green Ribbon of Hope is recognized as a symbol to remember missing children and to seek their safe return. It is also used as an expression of our thoughts for missing children, their families and friends. The concept of the Green Ribbon of Hope was originated by the students and faculty of Holy Cross Secondary School in Ontario, following the abduction and subsequent murder of one of the students, Kristen French. In memory of the tragedy, the students and faculty have generously agreed that their idea of the green ribbon may be used exclusively by Child Find.

On National Missing Children's Day I wish to remember the families who do not know where their children are, and the children who, for whatever reason, are separated from their families. I should like to acknowledge the valuable work of Child Find Canada and all the other organizations which work for and assist in the safe return of missing children and in the reunification of broken families.

## HUMAN RIGHTS

**Hon. Donald H. Oliver:** Honourable senators, it has been 13 months since Nelson Mandela, a former captive of a rather repressive regime, cast his ballot for the first time, joining with millions of other first-time voters in creating the new South Africa. How wonderful! What a marvellous example of perseverance and bravery, and a testament to the international community's steadfast responsibility to human rights, and the former Canadian government's efforts as well.

The glare of international scrutiny, the mobilization of the Commonwealth, La Francophonie and many others, and linkage of human rights and trade unseated a horrendous regime which purported to be a democracy.

The cry of democrats throughout the centuries, "Let freedom reign" echoes around the world. Elections in the new South Africa and in the Ukraine, and elections in El Salvador last year after more than a decade of civil war in that country, bode well for the community of nations.

What does not bode well is the Canadian government's odd behaviour in relation to human rights, and Canadian support of democratic ideals. Last year, the Prime Minister made a statement in China about being unable and unwilling to be a big shot in China on the human rights front. He said:

> Sometimes you can have influence and other times you cannot have influence, so you have to measure where you can play a role.

How does the Prime Minister measure that? He has said that he will continue to raise the question of human rights but that the issue will not stand in the way of attempts to do business. What measurement system does he employ? On what criteria does he base his judgments?

Democratic freedom is a very particular sort of freedom. It is tempered by responsibility and by centuries of hard wisdom stretching from ancient Attica to the modern Western metropolis, to odd statements by the Prime Minister and callous ones by his Minister of Foreign Affairs.

Civic lore tells us that human beings are not only capable of great deeds, of courage and selflessness, they are also tempered by power and weakened by cowardice.

The struggle for fairness and representation and the struggle for democracy is a massive responsibility. It is a responsibility that we on this side of the chamber share with South Africans, El Salvadorans, the students in Tiananmen Square, Ukrainians, and, indeed, with all Canadians who see a positive and active role for Canada in the international sphere. It is a responsibility shared.

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[*Translation*]

# ROUTINE PROCEEDINGS

## COMMITTEE OF SELECTION

FOURTH REPORT PRESENTED AND ADOPTED

**Hon. Jacques Hébert,** Chairman of the Committee of Selection, presented the following report:

Thursday, May 25, 1995

The Committee of Selection has the honour to present its

FOURTH REPORT

Pursuant to Rule 85(1)(*b*) and the orders adopted by the Senate on May 4, 1995 and May 11, 1995, your Committee submits the list of the senators it has designated to sit on the Special Committee on Pearson Airport Agreements:

Hon. Senators Bryden, *Fairbairn (or Graham), Hervieux-Payette, Jessiman, Kirby, LeBreton, *Lynch-Staunton (or Berntson), MacDonald (Halifax) and Tkachuk.

*Ex officio members

Respectfully submitted,

JACQUES HÉBERT
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

**Senator Hébert:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*g*), I move that this report be now adopted.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

[*English*]

## BUSINESS OF THE SENATE

ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Monday, June 5, 1995, at eight o'clock in the evening.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**Senator Graham:** Honourable senators, I should explain that this decision was taken a very short time ago, in consultation with the leadership opposite, because at this time we have received no new legislation from the House of Commons.

However, next week is designated as a committee week. Already, honourable senators will have received notice that various committees will be sitting next week, such as the Legal and Constitutional Affairs Committee, the Social Affairs, Science and Technology Committee, the Foreign Affairs Committee, the Committee on Energy, the Environment and Natural Resources, the Standing Joint Committee for the Scrutiny of Regulations, and perhaps the committee on Euthanasia and Assisted Suicide.

In view of the fact that the Senate is not sitting, and because of the time available, it may be that other committee chairs will see fit to call meetings of their committees as well.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

## LOBBYISTS REGISTRATION BILL

REFERRED TO STANDING SENATE COMMITTEE ON NATIONAL FINANCE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 63(2), I move:

> That the order of the Senate made on Tuesday, 23 May, 1995 that Bill C-43, an act to amend the Lobbyists Registration Act and to make related amendments to other acts be referred to the Standing Senate Committee on Legal and Constitutional Affairs be rescinded and that the said bill be referred to the Standing Senate Committee on National Finance.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. C. William Doody:** Honourable senators, as chairman of Committee on National Finance I really have no objection to dealing with that or any other bill. However, there used to be a tradition in this place that sometimes the chairman of the committee would be consulted. Invariably, the chairman would accede to the request.

Things seems to be handled differently now. We are ruled by fiat or dictate. The message comes down from on high, and we are all expected to comply and agree. A streak in me objects to that type of thing. I would have preferred a phone call or some consultation.

• (1430)

**Senator Graham:** Honourable senators, I wish to assure Senator Doody and all honourable senators that I personally would not have made any pre-emptive strike without having first consulted the leadership opposite.

This particular move was made at the request of members of the Standing Senate Committee on Legal and Constitutional Affairs. They already have extra burdens with respect to the legislation before that committee. After consultation on this side of the chamber and with the leadership opposite, we agreed to move Bill C-43 from the Standing Senate Committee on Legal and Constitutional Affairs to the Standing Senate Committee on National Finance for consideration.

**Senator Doody:** Honourable senators, I have no doubt that the request is a reasonable one and that many senators have discussed such a transfer. I am merely saying that the members of the committee and its chairman were not consulted.

The Standing Senate Committee on National Finance met this morning. Had we known about this referral, we could have made arrangements to sit next week to deal with this bill, because the committee is not busy at this point in time. Having said that, we will certainly deal with the bill when it arrives.

On behalf of my colleagues on the committee, I simply wish to place on the record that we are equal members of this chamber and we ask to be considered as such.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, there was discussion among the leadership that this change should take place. There was no objection from the leadership on this side. Having said that, since Bill C-43 is government legislation, it would be the responsibility of the government to consult with the chairmen of the various committees.

I do not think this change was made out of ill motive, but simply that the chairman was not consulted inadvertently. I hesitate to say that it was tacky because I know that it was not deliberate. It ought not to happen, and in the future when we do consult, we will ensure that it does happen.

**Senator Graham:** Honourable senators, having survived that shot across my bow, I hope the Honourable Deputy Leader of the Opposition sees fit to withdraw, at some future time, the word "tacky" from his comments.

**Senator Berntson:** I said I would not say it was tacky.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

## ENVIRONMENT WEEK

MOTION COMMITTING SENATE TO MAXIMUM RECYCLING

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, notwithstanding rule 58(1)(*f*), and in view of the fact that we are not sitting next week, I move:

> That, in recognition of Environment Week on Parliament Hill, June 5 to 9, 1995, and in the spirit of respect for the

environment, honourable senators and Senate staff commit themselves to maximum recycling of the paper disposed of by them in the Senate.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## COMMONWEALTH PARLIAMENTARY ASSOCIATION

VISIT BY CANADIAN BRANCH TO HONG KONG—REPORT TABLED

**Hon. C. William Doody:** Honourable senators, I have the honour to table the report of the Canadian Branch of the Commonwealth Parliamentary Association concerning a visit to Hong Kong, March 13 to 17, 1995.

## PRIVILEGES, STANDING RULES AND ORDERS

COMMITTEE AUTHORIZED TO ACT JOINTLY WITH HOUSE OF COMMONS PROCEDURE AND HOUSE AFFAIRS COMMITTEE ON EXAMINATION OF OPERATION OF JOINT COMMITTEES

**Hon. Brenda Robertson:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)*(f)*, I move:

That the Standing Committee on Privileges, Standing Rules and Orders be authorized to act jointly with the House of Commons Standing Committee on Procedure and House Affairs with regard to its examination of the rules and practices governing the operation of joint committees.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## TRANSPORT

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—DIVERSION OF FUNDS—REQUEST FOR EXAMINATION BY AUDITOR GENERAL OF CANADA—NOTICE OF MOTION

**Hon. J. Michael Forrestall:** Honourable senators, I give notice that on June 5, 1995, I will move:

That this house urge the Auditor General of Canada to examine every aspect of the diversion of funds from the Strategic Highway Improvement Program in order to fund the Fleur-de-lis tourist trail in Cape Breton, Nova Scotia, and to report to Parliament on this matter at the earliest opportunity.



## ABORIGINAL PEOPLES

COMMITTEE AUTHORIZED TO ENGAGE SERVICES

**Hon. A. Raynell Andreychuk**, with leave of the Senate and notwithstanding Rule 58(1)*(f)*, moved:

That the Standing Senate Committee on Aboriginal Peoples have the power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it.

Motion agreed to.

## FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO EXAMINE VARIOUS CONSEQUENCES OF EUROPEAN UNION

**Hon. John B. Stewart,** with leave of the Senate and notwithstanding Rule 58(1)*(f)*, moved:

That the Standing Senate Committee on Foreign Affairs be authorized to examine and report on the consequences of the economic integration of the European Union for the national governance of the member states, and on the consequences of the emergence of the European Union for economic, political, and defence relations between Canada and Europe; and

That the Committee present its final report no later than March 31, 1996.

Motion agreed to.

• (1440)

## EUTHANASIA AND ASSISTED SUICIDE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Hon. Joan Neiman**, with leave of the Senate and notwithstanding rule 58(1)*(a)*, moved:

That the Special Senate Committee on Euthanasia and Assisted Suicide have power to sit at 3 o'clock in the afternoon today, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Motion agreed to.

COMMITTEE AUTHORIZED TO EXTEND DATE FOR FINAL REPORT

**Hon. Joan Neiman**, with leave of the Senate and notwithstanding rule 58(1)*(f)*, moved:

That, notwithstanding the Order of the Senate adopted on Thursday, 4th May, 1995, the Special Committee of the Senate on Euthanasia and Assisted Suicide, which was authorized to examine the legal, social and ethical issues

relating to euthanasia and assisted suicide, be empowered to present its final report no later than 7th June, 1995, and that the Committee retain all powers necessary to publicize the findings of the Committee contained in the final report until June 21, 1995.

Motion agreed to.

## FISHERIES

### NOTICE OF MOTION FOR COMMITTEE TO EXTEND DATE FOR FINAL REPORT

**Hon. Eileen Rossiter:** Honourable senators, I give notice that at the next sitting of the Senate, I will move:

That the Standing Senate Committee on Fisheries which was authorized by the Senate on April 28, 1994, to examine and report upon the Annual Report of the Department of Fisheries and Oceans for the fiscal year ending 31st March, 1991, tabled in the Senate on 23rd March, 1993 (Sessional Paper No. 343-906) and other matters relating to the fishing industry, respectfully requests that the date of presenting its final report be extended from June 29, 1995 to no later than December 20, 1995.

[*Translation*]

## OFFICIAL LANGUAGES ACT

### NECESSITY OF EVALUATING THE LAW—NOTICE OF INQUIRY

**Hon. Jean-Robert Gauthier:** Honourable senators, I give notice of an inquiry with regard to the necessity of totally evaluating the application of the Official Languages Act in this country, further to the motion to be debated in the House of Commons, which will probably be a votable item. I would like the Senate to be involved in this debate.

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[*English*]

# QUESTION PERIOD

## TRANSPORT

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA-SCOTIA—DIVERSION OF FUNDS FROM DESIGNATED PROJECT—KNOWLEDGE OF TRANSACTION BY PRIME MINISTER—GOVERNMENT POSITION

**Hon. Gerald J. Comeau:** Honourable senators, my question is for the Leader of the Government in the Senate and concerns comments made yesterday by the Prime Minister during a press conference. In responding to questions concerning this most serious issue of diverting funds from Highway 104 to the Fleur-de-lis Trail in Nova Scotia, the Prime Minister tried to absolve himself of any responsibility by stating that this is strictly a provincial matter.

Perhaps the Leader of the Government could suggest to the Prime Minister that he check with the Minister of Public Works who, along with Transport Minister Doug Young, was instrumental in this decision to divert the money to Mr. Dingwall's riding.

As well, the provincial Transport Minister, whose riding also benefited from this decision, stated yesterday that changing the highway agreement takes the approval of two ministers, and that is exactly what happened.

In light of this information, can the leader tell us whether this divergence of money was done, not only behind the backs of Nova Scotians, but also without the Prime Minister's knowledge?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I have collected a fair number of questions in the last two days on this issue, and I am in the process of passing them on through the proper channels.

My friend will know that the Prime Minister, in his statements yesterday, was not absolving anyone of anything. The Prime Minister was stating the facts of the case, the same facts that have been repeated in the House of Commons on a number of occasions.

The federal government makes money available under certain programs for building roads or other projects in the provinces, and it is up to the provincial governments to decide on their priorities and, in some cases, to seek reallocation of funding when those priorities change. This has happened not just in Nova Scotia, but in other provinces as well.

The Prime Minister's point was that, in the case of Nova Scotia, the initiative was a provincial initiative. The federal government, as he noted, finds itself in the position, on the one hand, of being asked to be cooperative with the provinces and, on the other hand, of being asked to overrule them.

In this case, the Minister of Transport has responded to provincial concerns, not just in Nova Scotia, but elsewhere, in an area that is of their jurisdiction.

**Senator Comeau:** It should now be very clear to the Leader of the Government in the Senate that Nova Scotians are simply not accepting the diversion of funds from a project that is intended to enhance the safety of Nova Scotians to a tourism trail. It is now becoming a question of the Prime Minister's integrity.

In order to save his integrity and the integrity of his Public Works minister, would the Prime Minister instruct his Public Works Minister to do the proper thing, which is to return the funds to where they were meant to be, thus enhancing the safety of Nova Scotians, rather than tourism trails?

**Senator Fairbairn:** I do not believe that the integrity of the Prime Minister is at issue here. Indeed, the operation of these policies comes not within the aegis of the Minister for Public Works but that of the Minister of Transport. I make those observations because that is the way the program works.

My honourable friend and others have raised this issue very vigorously in the last two days, and I can assure them that every word they have uttered is being transmitted to those who are interested in, or have involvement with, this issue. The question that he specifically raises about the funds is among those

questions which will be passed on, and I will seek an answer for my honourable friend and his colleagues.

• (1450)

One point that I did make yesterday, and will make again, is that the question of safety and improvement to the highway is of fundamental importance. I am still seeking an answer, I believe in response to a question raised by my honourable friend, as to whether or not toll fees were levied on other parts of highways that would be considered part of the national highway system. I know the question of tolls is relevant in some provinces.

One of the suggestions is that, indeed, tolls would help to provide the funds needed to speed up improvements to Highway 104 by as much as three years, improvements which would enhance safety on that dangerous stretch of road.

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—DIVERSION OF FUNDS FROM DESIGNATED PROJECT—ALTERNATE METHODS OF FUNDING—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, I have some brief questions about this diversion of funds in Nova Scotia.

The response by the Leader of the Government in the Senate to my question yesterday left me with the clear impression that she was aware of other significant national highways with respect to which such agreements between the provinces and Ottawa have been reached, agreements involving federal funds earmarked for upgrading Canada's national highway to four lanes. From her comments, I drew the assumption that she was talking about significant Canadian highways, possibly even significant connectors to the Trans-Canada Highway, such as the extension of Highway 16 from Ottawa to Highway 401.

Perhaps behind all this is a major change in national policy with respect to the Trans-Canada Highway. Did the Leader of the Government intend for us to infer from her remarks yesterday that the government is considering an alternative, that being, of course, the upgrading of highways paid for in part by federal-provincial funds, and with the rest of the money being raised by way of collections at tollbooths?

Does the Leader of the Government know specifically where, on the Trans-Canada Highway between St. John's, Newfoundland and Campbell River, British Columbia, another tollbooth is located? I have driven that highway, and I have never paid a toll at any such booth, but if one exists, I would like to send my quarters there.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, it was precisely because I did not want the honourable senator to make that assumption that I indicated yesterday I would try to obtain a specific explanation as to where tolls are being collected. They are being collected in more than one province. I wanted to be clear, so I stopped there. I said that I would consult to find out exactly the nature of those highways.

[ Senator Fairbairn ]

TRANS-CANADA HIGHWAY—FEDERAL-PROVINCIAL AGREEMENTS CURRENTLY IN FORCE—REQUEST FOR PARTICULARS

**Hon. Lowell Murray:** Honourable senators, I should know the answer to the question which I am about to ask, but I do not. Therefore, I shall ask the Leader of the Government to have the research done for me.

Reference was made the other day to the original Trans-Canada Highway agreement, which came into effect some 40 years or more ago and which related to cost sharing, standards and all kinds of other details.

What agreement or agreements are still in force relating to the Trans-Canada Highway as we know it binding the provinces with respect to standards or other details, such as the right or otherwise of provinces to impose tolls on the Trans-Canada Highway?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, Senator Murray asks a good question.

My friend Senator Stewart tells me that the original agreement was signed in 1949.

I will inquire as to the evolution of that agreement, and what still remains of it. As the honourable senator would know, there are other agreements, such as the one we are talking about now, having to do with strategic highway improvements. Indeed, one such program was initiated by the honourable senator's former colleague Mr. Mazankowski. I will be pleased to seek information on my honourable friend's question concerning the continuing specific relevance of the original legislation governing national highways.

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—DIVERSION OF FUNDS TO PROJECTS NOT COVERED BY AGREEMENTS—GOVERNMENT POSITION

**Hon. Lowell Murray:** Honourable senators, there have been many highway agreements between the federal government and the provinces. Senators Robertson, Simard and myself, along with others, are familiar with the agreements that existed under the highway subagreements with New Brunswick. The Leader of the Government seems to be suggesting that, once an agreement of that kind is signed, it is open to a province to take funds out of it and apply them to projects not covered in the agreement.

The Auditor General of Nova Scotia seems to think that the diversion to which Senator Forrestall referred was an improper use of those funds, which is why I have asked, and Senator Forrestall is preparing to move a motion to the same effect, that the opinion of the Auditor General of Canada be sought.

Is it the position of the Leader of the Government that within a federal-provincial highway agreement a province is free to divert moneys from such an agreement to other highway projects not covered in the agreement?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the information I have received indicates that under these agreements a province is free to request a change in the agreement that would rearrange a priority list. As I said yesterday, I am not an expert in this area. I wish to obtain precise information for my friend.

I note that the Honourable Jean Charest has written in this regard to the Auditor General of Canada, who, as my friend knows, is not in the country at the moment. These matters certainly fall within his area of responsibility. Thanks to the efforts of Senator Gauthier, the Auditor General has an opportunity to present reports more frequently to Parliament than was the case before. It will be up to him to decide how quickly he will proceed.

## FOREIGN AFFAIRS

### REPORT OF AUDITOR GENERAL ON FOREIGN SERVICE TRAVEL DIRECTIVES—GOVERNMENT POSITION

**Hon. Richard J. Doyle:** Honourable senators, my question is for the Leader of the Government in the Senate, who will be aware of the strange accounting procedures revealed by the Auditor General's special examination on travel under Foreign Service Directives.

It is not acceptable here to take up senators' valuable time with a lengthy preamble that would hardly begin to detail the opportunism, collusion, conspiracies and trickery that have produced unbelievable cash bonuses for scores of Foreign Service employees in the practice known as "ticket cashing".

• (1500)

My question, therefore, will be direct. Is the press correct when it argues that the government has remedied the situation by legalizing the practices rather than putting a stop to them?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as one who travels infrequently in foreign lands, these are new areas for me to probe. I will try to find an answer concerning whether or not the interpretation of the media is accurate.

### NEW DIRECTIVES ON FOREIGN SERVICE TRAVEL DIRECTIVES—REQUEST FOR PARTICULARS

**Hon. Richard J. Doyle:** Honourable senators, I have a supplementary question. The Minister of Foreign Affairs, André Ouellet, said in the House of Commons that the situation had been corrected. The Treasury Board Secretariat said that policy changes will be discussed in a conference in the fall of 1995.

Can the minister tell us exactly when foreign service directives 45 and 50 were changed, and what the new directives involve?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to seek that information for Senator Doyle.

## HUMAN RIGHTS

### CONFLICTING STATEMENTS BY FOREIGN AFFAIRS MINISTER—REQUEST FOR CLARIFICATION

**Hon. A. Raynell Andreychuk:** Honourable senators, at a recent meeting in Vancouver with a group known as ASEAN, involving six Asian countries, the Minister of Foreign Affairs made statements which would appear to show a fundamental shift in Canada's long-standing foreign link between trade and human rights. The minister declared that Canada should pursue trade with countries irrespective of whether they have dictatorships or political governments which do not espouse our own beliefs.

Having worked long and hard as a member of the Special Joint Committee Reviewing Canadian Foreign Policy to have respect for human rights treated as a Canadian foreign policy priority, I find Minister Ouellet's statements and comments disturbing.

In a recent response to the recommendations of that special joint committee issued by the Minister of Foreign Affairs, it was stated that the Government of Canada will make effective use of all of the influence that our economic, trading and development assistance relationships gives us to promote respect for human rights. Only last month, the Liberal Party signed an international declaration here in Ottawa saying increased trade does not always benefit human rights in democracy.

Are these two statements not, in fact, directly contradictory to the minister's recent comments in Vancouver? Can the Leader of the Government in the Senate please offer some clarification in this regard?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would underline, as I believe I have before — and this is consistent with the approach of both the Prime Minister and Mr. Ouellet — that human rights are fundamental to Canadian values. They are critical to the promotion of international peace, and they are integral to our foreign policy. I do not believe that anything that Mr. Ouellet or the Prime Minister have indicated strays from that fundamental premise.

The goal of the government is to influence other governments to respect their human rights obligations. Both of the gentlemen been referred to have indicated that we seek to do that through a variety of bilateral and multilateral efforts at diplomacy, through business, which is not a regressive but a progressive word, and through assistance to other governments in building democratic institutions.

There is nothing in the policy of the government to indicate that increasing our trade and our contacts with various countries in the world should not go hand in hand with the protection of human rights, education, and the bringing out of countries from isolation and into the world community, the result of which places pressure on the respect for human rights. That is fundamental to the government's policy.

I do not agree with my honourable friend that there is a divergence from that policy by either the Minister of Foreign Affairs or by the Prime Minister, as he very clearly said yesterday.

**Senator Andreychuk:** Honourable senators, I have a supplementary question. It would seem that certain editorials would disagree with the leader's assessment that there has been no divergence here. In fact, the minister stated that he would pursue trade with countries irrespective of whether they had dictatorships or political governments that do not espouse our beliefs. In the area of international foreign trade, is the minister not precluding different responses for different situations? How can we know today all the uncertainties that there will be in the future?

I consider it dangerous for the Minister of Foreign Affairs to make a blanket statement that represents a significant shift in our foreign policy. How can the minister possibly foresee situations that have not yet occurred, and insist that Canada will trade with all nations regardless of their respective policies? Again, I would ask for the leader's comments.

**Senator Fairbairn:** On a regular basis, the Minister of Foreign Affairs and the Prime Minister have made statements that are always couched with a connecting link. That connecting link is that Canada vigorously protests — as government leaders in the past have done, and as the Prime Minister has done on every journey he has taken in the last year, whether it was to China, South America, or Latin America — perceived abuses and recorded abuses of human rights. The Prime Minister has consistently and vigorously protested these directly to the leaders of those countries.

At the same time, he has not unilaterally taken the step of ceasing to encourage connections of trade and commerce with these countries, which opens their access and the access of their people to some of the values that we consider to be important in the field of human rights. That has been fundamental to the Prime Minister's conduct of international affairs and to that of the Minister of Foreign Affairs, Mr. Ouellet.

POSSIBILITY OF IMPOSING EMBARGOES
ON TRANSGRESSOR COUNTRIES—GOVERNMENT POSITION

**Hon. Noël A. Kinsella:** Honourable senators, I have a supplementary question. Can the Leader of the Government in the Senate tell us whether or not the government is contemplating imposing an embargo on any country in the world?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I cannot answer that question, but will seek an answer for the honourable senator.

No matter what government was in power in this country, for many years Canada has been in the forefront in imposing sanctions, boycotts, and embargoes, in concert with other countries, including the United Nations.

As one voice alone, the Prime Minister has been trying to say that yes, he protests, and the example that always comes up is China. His response is, "No, we have not boycotted, but we have tried in every way we can." This policy goes back many decades in Canadian history, where there have been attempts to open up China, and to bring China and other countries into line with the rest of the world, so that the pressure from countries that are worried about human rights can have an impact on that nation. Honourable senators, with the lengthy history of a country such as China, it is certainly not something that happens overnight.

• (1510)

However, Canada is taking an active role in combining a strong and fundamental belief in human rights with a strong effort to trade, to offer assistance and to provide education and encouragement for democratic processes. That is what this government will continue to do.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Does this government have a concern for human rights across the world? Obviously it does not, based on comments made by the Prime Minister, who, in a pathetic way, said that we are too small to have an influence. Imagine Lester Pearson hearing that! Imagine Mr. Ouellet in Vancouver completely abandoning human rights in favour of trade!

At the time of the massacre in China six years ago, the Conservative government was faulted by the Liberals for not being severe enough in the sanctions imposed and in the cancellation of certain exchanges. At that time, we were told, "That is not enough; go further."

Now we are seeing in China, on the eve of the anniversary of the massacre, the arrest of dissidents who want to hand out tracts reminding their fellow countrymen of the terrible event that took place, an event which we all deplored at the time.

Yet there has not been a word from this government decrying the present-day arrests. The Chinese government is throwing people in gaol and hiding them from the rest of the world. By its silence, the government is acquiescing to that kind of behaviour. Why has the government not made some statement denouncing what is going on?

## TRANSPORT

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT
PROGRAM—POLICY ON DIVERSION OF FUNDS
TO UNDESIGNATED PROJECTS—REQUEST FOR PARTICULARS

**Hon. David Tkachuk:** Honourable senators, I, too, have a question following on those posed by Senators Comeau and Murray on the new highway policy.

It seems to me, from Senator Fairbairn's comments, that the federal government has a new highway policy. It seems that now a provincial government can take money allocated in joint federal-provincial agreements and move it to a project with solely provincial benefits.

For example, it is election time in my province, so the graders are out in full force on Highway 11, running between Prince Albert and Saskatoon. Under this new federal government policy, it seems that Saskatchewan could take money earmarked for the federal interest in the Yellowhead route and apply it to Highway 11.

If I am correct about this new highway policy, I would like to know whether the other provincial ministers responsible for highways have been informed? Do they know about the policy which Senator Fairbairn enunciated just a minute ago? Do provincial highway ministers know that they can now access cash from joint agreements for other highway projects in their respective provinces? If they were notified of this new policy, did that notice go out prior to the movement of money from the Trans-Canada Highway in Nova Scotia to the Fleur-de-lis Trail? If such a memorandum were issued, would the leader table it in the Senate for the information of all highway ministers in the country? I am sure they would like to have access to this new-found source of cash.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thought I had made myself clear when I addressed Senator Forrestall's question. Perhaps I was mistaken. I will repeat the answer.

I did not enunciate any new policy today nor yesterday nor the day before. I have indicated, as has the Prime Minister, as has the Minister of Transport, that highways are a provincial responsibility. There are cost-sharing agreements between the two levels of government for improving many highways, not just those in Nova Scotia.

Periodically, there are requests from provincial governments for a shift in priorities on how the money is designated. That is not a new policy. It has taken place before. The Prime Minister, at the press conference yesterday, said that, fundamentally, the federal government is trying to be as flexible and helpful as it can be for any province in this country.

The provincial governments jurisdictionally control the highways and they are in a much better position to make decisions on priorities than is the federal government sitting here in Ottawa far away from the ground where these highways exist.

**Senator Tkachuk:** Honourable senators, I was always under the impression that while provincial governments build highways, the federal government is responsible for interprovincial highways. From time to time, federal and provincial governments will come to a mutual agreement to jointly fund improvements to a specific highway which has some national importance. One example would be the Yellowhead Trail which runs from Winnipeg to Jasper National Park and which has become a very important tourist route.

If such a contract were in place to improve the Yellowhead, under this new policy, presumably the province could advise the Prime Minister that Highway 11 needs some work and that some Yellowhead Trail funds will be diverted to that project, no matter that the province had lobbied for money to improve the Yellowhead over 20 years or so. Election Day looms and Highway 11 is the new priority.

The province cannot do that, unless perhaps the federal government has appointed a new minister of highways without telling us. Perhaps from now on the federal Department of Highways will be in the business of funding highways. If that is so, there must be a letter somewhere from Minister Young advising the provincial ministers on the new policy and letting them know that they can now take all the money from the joint agreements and spend it on whatever highway they choose. I should like to see that letter. Please table it here in the Senate.

**Senator Fairbairn:** Honourable senators, there is no new policy. I will provide whatever documentation I can on the continuing highway policy, and I will add it to the fundamental policy in which Senator Murray is interested. Then we shall see the development of the policy and the true situation which exists today.

## POST-SECONDARY EDUCATION

### EFFECT OF CUTS TO SOCIAL TRANSFER PAYMENTS ON UNIVERSITY ENROLMENT

**Hon. Ethel M. Cochrane:** Honourable senators, yesterday, it was reported in *The Globe and Mail* that applications for admissions to universities for next year is down by 5 per cent in some regions and by more than 10 per cent in some institutions. Part of the reason, as was stated in the report, is demographic and part is concern on the part of students over the job market and the value of a degree. University officials also say that the cost of education is definitely a factor. York University has even advertised in several newspapers to tell prospective students that tuition fees have not yet risen dramatically.

Does the Leader of the Government have any projections or predictions about what will happen to enrolments at post-secondary institutions over the next few years when tuition fees will rise dramatically because of the government's cuts to funding under the Canada Health and Social Transfer?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I do not have predictions or projections. I will undertake to see if such exist.

All of the issues mentioned by my honourable friend are underlying factors in some universities. Other universities are still being oversubscribed. It is not a uniform situation across the country. I will be pleased to see if I can find any such information for my honourable friend. Again, we are in a period of fiscal restraint, as outlined in our most recent budget.

• (1520)

Yes, there are cutbacks. The purpose of the social transfer is to be able to protect, as much as possible, the cash transfers to provinces.

The federal government has no control over tuition fees. That is a provincial responsibility and it is a judgment which each province has made for many years, sometimes in peculiar fashion according to their own particular priorities. It would certainly be the hope that the tuition fees can be kept, as much as is possible in the current climate, at a level that is affordable to students across this country.

### REINSTATEMENT OR REPLACEMENT OF CANADA SCHOLARSHIPS FUND—GOVERNMENT POSITION

**Hon. Ethel M. Cochrane:** Honourable senators, in the same report, *The Globe and Mail* says that many universities are being forced to dip into their budgets to provide additional scholarship funds in order to attract students.

In light of this problem, would the Leader of the Government in the Senate, in her ministerial capacity, consider making a case to have the Canada Scholarships Fund either reinstated or replaced?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will certainly follow the suggestion of my friend in terms of putting those concerns, which she has raised previously in this house, before my colleague, the Minister for Human Resources Development.

## HUMAN RIGHTS

### COMMITMENT TO INTERVENTION WITH TRANSGRESSOR COUNTRIES—GOVERNMENT POSITION

**Hon. A. Raynell Andreychuk:** Honourable senators, coming back to the human rights issue, will the government intervene bilaterally on any human rights issues which may occur in the future? If it will, what determinants or guidelines will be used? In a multilateral sense, when and under what circumstances would the government take leadership on the issue of human rights and related democratic development issues?

I realize that the Leader of the Government may not be able to answer this question today, and I would appreciate a written response.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will certainly endeavour to get a response for my honourable friend. I know the senator will appreciate that there is a certain hypothetical quality in her questions.

However, I reiterate the assertion that the federal government and its ministers do not shy away from bilateral discussions on human rights wherever they arise. The Prime Minister has made this very clear during his travels around the world in every case where the situation exists: in Asia, the Pacific, South America and Latin America. That channel exists, but I will take the broader aspect of my friend's question and see what response I can get for her.

**Senator Andreychuk:** Honourable senators, perhaps the written response could include what alternatives, procedures or actions the government will now employ, from the quiet, diplomatic ones through to the obvious ultimate one of severing any bilateral relationship. There are a host of human rights mechanisms available. Which ones would be used in a bilateral sense and which ones would be used in a multilateral sense, and what determinants would lead to those alternatives?

**Senator Fairbairn:** I will try to get a response to my honourable friend.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on March 28, 1995 by the Honourable Senator Spivak regarding the Birdtail Sioux First Nation. I have a response to a question raised in the Senate on March 28, 1995, by the Honourable Senator Spivak regarding legal action against the Canadian National Railway. I have a response to questions raised in the Senate on April 5, 1995, by the Honourable Senator Di Nino regarding facilities at smaller airports, and a response to a question raised in the Senate on May 11, 1995 by the Honourable Senator Ghitter regarding the hiring by the Canadian International Development Agency of former Guatemalan General Hector Gramajo.

## INDIAN AFFAIRS

### CLEAN-UP OF CANADIAN NATIONAL TRAIN WRECK DEBRIS ON BIRDTAIL SIOUX RESERVE—GOVERNMENT POSITION

*(Response to question raised by Hon. Mira Spivak on March 28, 1995)*

The Minister of Indian Affairs and Northern Development shares the concerns of the Birdtail Sioux First Nation with regard to the potential impact of the train wreckage, from the April 23, 1968 derailment of CN #409, on the environment and members of the First Nation. No formal agreement was ever entered into between CN and Birdtail Sioux First Nation to allow CN to bury or leave their train wreckage on reserve land.

DIAND has a fiduciary responsibility to assist the First Nation in effecting the clean-up of the contamination on their lands. Consequently, the First Nation, the Department, and CN began talks in September of 1993 to resolve this environmental issue.

In October 1994 CN made their final offer of $125,000 to the First Nation for the clean up of both sides of the track. This amount was not considered satisfactory due to the nature and extent of the damage. The negotiations with CN terminated with the receipt of a letter dated January 24, 1995. In their letter, CN stated they would fund the project but only if given full supervision and control of the work done and if standards for the clean-up were set solely by CN — a response unacceptable to the Birdtail Sioux First Nation.

Consequently, the First Nation was asked to submit a proposal to DIAND (Manitoba Region) to undertake the clean-up of the southwest quadrant of the crash site. The value of the proposal was listed at $402,000. Phase 1 of the project commenced on March 14 and is expected to be completed shortly. The project will be fully documented.

### LEGAL ACTION AGAINST CANADIAN NATIONAL RAILWAY—GOVERNMENT POSITION

*(Response to a question raised by Hon. Mira Spivak on March 28, 1995)*

CN operates as an independent Crown Corporation and has a mandate to operate in a cost effective manner and in accordance with sound business principles.

CN counsel has written legal counsel for the Department of Indian Affairs and Northern Development and stated that "should you or your client wish to re-open discussions which could lead to a reasonable and amicable settlement of this matter, I wish to make it clear that CN remains prepared to participate."

## TRANSPORT

### REMOVAL OF EMERGENCY RESPONSE CAPABILITY FROM SMALLER AIRPORTS—GOVERNMENT POSITION

*(Response to a question raised by Hon. Consiglio Di Nino on April 5, 1995)*

The removal of certain fire fighters from Transport Canada airports was initiated after an extensive study into the risks and efficiency of providing on-site aircraft fire fighting services at airports across Canada with varying levels of passenger activity.

Airports affected by this action will now operate in a manner similar to more than 250 other airports in Canada which currently have and continue to receive some form of commercial passenger traffic without on-site fire fighting services. All of these airports are required to be certified by Transport Canada which means they must comply with various safety related requirements, one of which is the requirement to have an airport emergency plan. This plan details the available resources from the community, including police, ambulance and local fire fighting agencies, that will be called upon in the event of an airport emergency. Transport Canada inspectors are responsible for auditing and ensuring compliance with such requirements.

With respect to the concern dealing with reducing emergency response capabilities at airports such as Windsor and London, Transport Canada will be replacing the existing fire fighting trucks with new larger trucks which will be more efficient to operate and require fewer personnel. The new trucks meet the recommended International Civil Aviation Organization (ICAO) technical requirements for fire suppression capability.

In addition to the airport certification requirements, the federal government is also proposing a regulation to tie the provision of aircraft fire fighting services to the level and type of air traffic, and not to ownership of the airport. The regulation will ensure that Canada's largest and busiest airports, which currently handle 94 per cent of the travelling public, have a consistent level of safety.

### APPLICATION OF INTERNATIONAL CIVIL AVIATION ORGANIZATION STANDARDS AT SMALLER AIRPORTS—GOVERNMENT POSITION

*(Response to question raised by Hon. Consiglio Di Nino on April 5, 1995)*

With respect to the application of ICAO standards for ensuring adequate safety measures for small, regional and municipal airports, Transport Canada, to the extent practicable, continues to base most of its basic airport standards on the ICAO standards and recommended practices.

## HUMAN RIGHTS

### HIRING BY CANADIAN INTERNATIONAL DEVELOPMENT AGENCY OF FORMER GUATEMALAN GENERAL AS CONSULTANT—GOVERNMENT POSITION

*(Response to a question raised by Hon. Ron Ghitter on May 11, 1995)*

Hector Gramajo is not an employee or a contracted advisor to CIDA.

In November 1994 and January 1995, CIDA organized an information-gathering exercise to help officials understand the rapid changes in Latin America and the Caribbean. Many participants were invited to meetings held in Costa Rica, Barbados, Chile, Ecuador, the United States and Canada.

Former Guatemalan military general and Defence Minister, Hector Gramajo, was invited to attend two meetings with CIDA officials in Costa Rica and Ecuador.

CIDA very much regrets this. The decision to invite the former general was taken without the full knowledge of Mr. Gramajo's background. If officials had been more fully informed, Mr. Gramajo would not have been invited.

CIDA has taken steps to ensure that this kind of incident does not occur in the future.

## REQUEST FOR ANSWERS

**Hon. Donald H. Oliver:** Honourable senators, I have a question for the Honourable Deputy Leader of the Government in relation to delayed answers. I have questions on the Order Paper that have been there for substantially longer than 3 months. I have written to my friend and asked him when I can reasonably expect answers. The questions were not esoteric; they were not obscure; they were not particularly difficult. I am getting the impression that my questions are being treated as though they are unimportant and unworthy of notice.

Could I have an answer to my questions by June 5, when we next return? If not, could I have a written reason for why my questions will not be answered?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I am quite conscious of the concern which Senator Oliver has raised. It is frustrating for him as well as for the one who is responsible for providing those answers. The questions which have been raised by Senator Oliver involve several ministries. In view of the fact that the House of Commons is not sitting this week, I can only ask for his indulgence. I hope to be able to provide those answers. If I cannot provide them in the chamber, I will attempt to provide, either personally or by letter, the reason those answers have been delayed.

**Senator Oliver:** I noticed that the responses my honourable friend gave today were to questions raised in April. This is the month of May. My questions were asked a considerable time before that. That is one of the reasons why I rose and put my question. An inordinate period of time has gone by, in my submission.

**Senator Graham:** I want to assure Senator Oliver that as late as yesterday I asked for further clarification on his questions. We will continue to press for the appropriate answers.

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• (1530)

[*Translation*]

# ORDERS OF THE DAY

## PRIVILEGES, STANDING RULES AND ORDERS

MOTION TO AUTHORIZE COMMITTEE TO STUDY AND REPORT UPON DECISION OF THE HOUSE OF COMMONS TO CEASE PUBLICATION OF COMMITTEE PROCEEDINGS—DEBATE ADJOURNED

**Hon. Jean-Robert Gauthier** rose pursuant to notice of Thursday, May 4, 1995:

> That the Standing Committee on Privileges, Standing Rules and Orders examine, for report purposes:
>
> i) the consequences on the joint committees of the decision by the Board of Internal Economy of the House of Commons regarding the revision, translation and publishing of committee issues, and
>
> ii) the need for the Senate to be consulted by the Board of Internal Economy of the House of Commons, prior to its decisions, on matters relating to the two Houses of Parliament.

He said: Honourable senators, I am happy with the May 17 decision by the House of Commons to change course and resume translating the proceedings of parliamentary committees. I nonetheless think that, had the matter been carefully thought through beforehand, many problems could have been avoided.

As you may recall, on March 22, the Board of Internal Economy of the House of Commons announced that parliamentary committee proceedings would no longer be revised, translated and published. On April 5, I gave notice of an inquiry in this chamber. On May 4 was launched a debate in which Senators Beaudoin and Corbin participated; Senator Stewart raised a question. I thank them for their participation. During that debate, I gave notice of the motion before us today. Allow me to explain, since some of us may see the motion as no longer relevant, although I think it is topical and deserves to be debated.

During the inquiry debate, some of us — the majority, I think — felt that the March 22 decision by the House of Commons was unconstitutional under section 133 of the 1867 Constitution Act and subsections 18.(1) and 18.(2) of the 1982 Canadian Charter of Rights and Freedoms, violated sections 4 and 5 of the 1988 Official Languages Act, and superseded Standing Order 108.1 of the House of Commons and rule 91 of the Senate, which authorizes standing committees to print papers and evidence submitted at their meetings.

In my May 16, 1995 letter to the Minister of Justice, the guardian of the Constitution of Canada, I asked the minister for a written, precise interpretation of section 133 of the Constitution and for his opinion on the application of this section. The minister sent me an acknowledgement saying that he was taking the matter under advisement and that he would send me a written reply soon.

I also asked the Commissioner of Official Languages, the guardian of the Official Languages Act, to give me legal advice on sections of the Act, given the decision made by the House of Commons. In his letter of May 16, 1995, the Commissioner told me, and I quote:

> Further to our request to look into the transcription of proceedings as they appear on the screen of PubNet users, we have been given an example of the unedited record of the proceedings of the Standing Committee on Justice and Legal Affairs. We conclude from our examination that the quality of the French text (most of which is the transcription of the interpretation) was markedly inferior to that of the English text (most of which is from the floor). As a matter of fact, the text we reviewed contained so many mistranslations that any translated speech must be considered unreliable.

The Commissioner of Official Languages tells me that he is waiting for further information before he can complete his legal examination of the issue.

Given the recent decision by the House of Commons and the follow-up on the correspondence with the guardians of the law and the Constitution, I think that it would be best, at this point in time, not to refer my motion to the Committee on Legal and Constitutional Affairs, as recommended by Senators Corbin and Beaudoin, but instead refer the issue to the Standing Committee on Privileges, Standing Rules and Orders. I think it would be more appropriate under the circumstances.

Indeed, with the about-face made by the House of Commons over the translation of committee proceedings and the upcoming legal decisions, there is no longer any urgency to determine whether the decision by the House of Commons was unconstitutional.

For the time being, it would appear much more urgent to follow up on the second item in the motion before us, which is to have the Standing Committee on Privileges, Standing Rules and Orders consider and report on the need for the Board of Internal Economy of the House of Commons to consult the Senate before making decisions on matters that concern both Houses of Parliament. I emphasize this last point: that it would be on matters that concern both Houses of Parliament. It seems to me that it is necessary and urgent to find common ground in order to prevent in future the House of Commons from acting unilaterally on questions affecting both Houses.

For example, the House of Commons is responsible for the parliamentary restaurant and cafeterias. However, when we telephoned last week to ask if we could make reservations at the parliamentary restaurant, we were told that Parliament was not sitting this week. I said: "Listen, this is absurd; Parliament is sitting; the Senate is sitting". I was told that this is beside the

point, that the restaurant was closed. However, the Senate is sitting this week. Next week, the House of Commons will be sitting. Will the restaurant be closed next week since half of Parliament will not be sitting? This does not make any sense.

I referred the matter to certain officials of my party, the whip and the Leader of the Governement in the Senate. They contributed to having the decision changed, and certain arrangements were made. The situation was a bit different from what it is usually. A room was made available to senators this week, and this room was, shall we say, occupied yesterday and today.

Honourable senators, a number of matters remain pending and require my motion to be considered urgently. It would be difficult for the Standing Committee on Legal and Constitutional Affairs to do so because of its very heavy schedule. In addition, the Standing Committee on Privileges, Standing Rules and Orders already has a structure in place, which was in fact approved today in this House. A subcommittee composed of representatives of the House of Commons and the Senate will examine the matter of common concern with regard to the regulations necessary for standing joint committees of the House of Commons and the Senate on very specific matters.

Should the Standing Committee on Legal and Constitutional Affairs wish to consider the matter, it think it could do so on its own initiative, in its own time and as it sees fit.

For the time being, the Senate must examine the following matters quickly. I will list some of them. The House of Commons will no longer print testimony taken before committees. Such testimony will now be available only on PubNet and Internet. Neither the Senate nor the majority of Canadians, I repeat, have access to them at the moment. On request only, the House will produce an English or French photocopied version.

Committee deliberations will have to be obtained from the Library of Parliament. Furthermore, the House of Commons has not resumed indexing of committee deliberations. Are senators' and Canadians' rights being respected? Have our rights as parliamentarians been interfered with and reduced? I think so.

We used to have access to the proceedings of parliamentary committees. We will no longer have access to them in the usual printed, conventional, and translated version. Is the House of Commons, in an attempt to play both sides against the middle, instituting half measures for committee proceedings? What is the point of having a transcription of what a given speaker said and a faithful translation by the interpreter, if they are not to be published and if there is no index to permit reference over the years? It is like writing a book and having it published, but not distributing it for lack of money.

What will the Senate do with respect to the standing joint committees? The administration of the House of Commons suggested that the Senate print the proceedings of Senate committees. Does the Senate have the facilities and human resources necessary to take over the printing? Should the House of Commons not have consulted with the Senate before making such a decision? By imposing this new responsibility on the Senate, is the House of Commons not overstepping its authority? Will the Senate not be tempted as well to adopt similar policies in order to reduce operating costs? I hope not.

If this decision by the House of Commons had been carefully thought through, months of futile debate, which only bring us back to square one — but with only a partial printing of House committees proceedings — would have been avoided. As I said on May 4, instead of cutting for the sake of cutting, should we not carefully examine the operations of the House of Commons, the Senate and the Library of Parliament, and eliminate overlap and duplication between these institutions?

The Special Committee on House Reform, headed by James McGrath, said in its 1985 report:

> There seems to be very little coordination or consultation between the three bodies in charge of services to the Parliament, namely the Senate, the House of Commons and the Library of Parliament.

It noted in the same report that certain services seemed to be duplicated, especially in the area of automatic data processing, research, and administration, and it recommended that the Board of Internal Economy of the House of Commons look into these matters in order, and I quote:

> To eliminate duplication and to provide members of Parliament with prompt and satisfactory service.

It also recommended that a joint committee be struck to deal with common administrative issues. So far, nothing has been done.

In 1990, the Special House Committee on the Review of the Parliament of Canada Act stated that many services to both Houses were being duplicated.

Again, to my knowledge, no action has been taken.

In a December 1992 report to the Senate and House of Commons on matters of common interests, the Auditor General of Canada recommended:

> A closer cooperation through three key units, namely an executive task force that would deal with ongoing matters of common interest; a joint security committee whose membership would include, among others, representatives of the RCMP, which would be in charge of security matters; and a Parliament buildings council, which would be an independent external advisory group mandated to make recommendations regarding building maintenance and facilities upgrading projects.

For example, while the Auditor General did not recommend a complete merger of services, he did feel, and I quote:

> That both Houses could save more than $100,000 a year in operating costs if they only increased cooperation on messenger, courier and postal services.

Another proposal was to establish one single integrated security service, responsible for all internal and external security.

Those are some of the reasons why I proposed that this motion be referred to the Standing Senate Committee on Privileges, Standing Rules and Orders. Why that committee? I imagine that some would have preferred the Standing Senate Committee on Internal Economy, Budgets and Administration which is responsible for the administration of the Senate, but I prefer a committee which already has a clear mandate under our Rules, which has a subcommittee dealing with the other place, and which will probably be able to review this very important issue. In my opinion, this issue goes far beyond the administrative matters normally referred to Internal Economy and could be lost in the shuffle in other committees that already have a very heavy workload. That is why I maintain my proposal that this motion be referred to the Standing Senate Committee on Privileges, Standing Rules and Orders. It already has all the necessary infrastructure and a joint subcommittee that is well aware of the responsibilities of both Houses.

I think this question is important and I hope this house will support rapid adoption of this motion.

On motion of Senator Graham, for Senator Corbin, debate adjourned.

The Senate adjourned until Monday, June 5, 1995, at 8 p.m.

# THE SENATE

**Monday, June 5, 1995**

The Senate met at 8:00 p.m., the Speaker in the Chair.

Prayers.

## SENATOR'S STATEMENT

### HUMAN RIGHTS

CHINA—SIXTH ANNIVERSARY OF TIANANMEN SQUARE MASSACRE

**Hon. Consiglio Di Nino:** Honourable senators, six years ago, on June 4, 1989, hundreds, more probably thousands, of men, women and children were brutally massacred during an unprovoked attack on young and old alike who had dared speak up in defence of fundamental rights and freedoms. This night of infamy, the massacre at Tiananmen Square, will be forever remembered as the pivotal point which will eventually lead to the Chinese people's day of freedom. As the Dalai Lama said, "Brute force, no matter how strongly applied, can never subdue the basic human desire for freedom."

Honourable colleagues, the massacre at Tiananmen Square unleashed a chorus of protest both in and outside China. This tumultuous chorus of voices will not be silent until the Chinese authorities relent and repent. China will one day join the world as an equal and free nation. We can help make it happen sooner by joining our voices with the untold millions of others all over the globe in support of those who are in the dangerous front lines of the battle to restore democracy and dignity to all the peoples living under Chinese oppression.

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## ROUTINE PROCEEDINGS

### LIBRARY OF PARLIAMENT

ANNUAL REPORT OF LIBRARIAN TABLED

**The Hon. the Speaker:** Honourable senators, I have the honour to table the annual report of the Parliamentary Librarian for the 1993-94 fiscal year.

### FARM IMPROVEMENT AND MARKETING COOPERATIVES LOANS ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-75, to amend the Farm Improvement and Marketing Cooperatives Loans Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on the Orders of the Day for second reading on Wednesday next, June 7, 1995.

### THE BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-81, to amend an Act respecting the Buffalo and Fort Erie Public Bridge Company.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, bill placed on the Orders of the Day for second reading on Wednesday, June 7, 1995.

### TRANSPORT AND COMMUNICATIONS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXTEND DATE FOR FINAL REPORT

**Hon. Donald H. Oliver:** Honourable senators, I give notice that tomorrow, Tuesday, June 6, 1995, I will move:

> That, notwithstanding the Order of the Senate adopted on October 26, 1994, the Standing Senate Committee on Transport and Communications, which was authorized to continue its special study on the report of the National Transportation Act Review Commission, entitled Competition in Transportation, Policy and Legislation in Review, tabled in the Senate on March 23, 1993 (Sessional Paper No. 343-912), and other matters relating to transportation, be empowered to present its report no later than December 31, 1995.

### HEALTH

IMPACT OF THYROID DISEASE IN CANADA—NOTICE OF INQUIRY

**Hon. Erminie J. Cohen:** Honourable senators, I give notice that on Wednesday next, June 7, 1995, I will call the attention of the Senate to the impact of thyroid disease in Canada and all of its ramifications.

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# QUESTION PERIOD

## TRANSPORT

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—RESTORATION OF FUNDING TO DESIGNATED PROJECT—REQUEST FOR UPDATE

**Hon. J. Michael Forrestall:** Honourable senators, regretfully, once again I rise to bring back the question of Highway 104 and the diversion of funds for the completion of that part of the Trans-Canada Highway to the Fleur-de-lis Trail in Cape Breton. My question is particularly pertinent, given the outrage now being expressed in Nova Scotia about this action.

Does the Leader of the Government in the Senate know whether the Prime Minister has given any direction to the Minister of Public Works and the Minister of Transport to restore funding to the Highway 104 program?

• (2010)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am not aware of communications between colleagues but to my knowledge the information regarding funding for that stretch of highway remains the same as it was when we recently discussed the issue.

**Senator Forrestall:** Honourable senators, I understand the leader to be responding in the negative, to say the least.

Is the Honourable Leader of the Government in the Senate aware of the extent to which many Nova Scotians are upset by this apparent change in government direction and apparent development of new policy with respect to the SHIP program? Has it come to her attention? Is she aware of the outrage?

**Senator Fairbairn:** Honourable senators, by way of the comments made in this chamber by senators opposite, I am clearly aware of the views they hold regarding this highway. I am also aware, however, of the concern expressed regarding the need to underline the safety factor for Canadian citizens using Highway 104 as quickly as possible. That was made clear in Nova Scotia as well as here.

One underlying point made by the Minister of Transport was that in order to considerably accelerate the improvement of this highway and the safety factor, the provisions suggested and asked for by the Government of Nova Scotia have been concurred in by the Government of Canada. The purpose is to increase the fundamental safety of citizens travelling on that highway. That is being done in Nova Scotia.

**Senator Forrestall:** Honourable senators, I am surprised and a little disappointed by the honourable senator's response.

Has the Leader of the Government in the Senate or any member of the government, including Minister Dingwall, Minister Young, or, for that matter, any other government representative, asked Canadian banks whether they are prepared to fund this project? If so, on what basis will they fund it?

Has the Leader of the Government considered what would happen if the people of Nova Scotia decide to boycott the new highway and continued to travel on the old highway; and what would be the effect on any funds advanced by a bank? There is no question that the highway will be built either through public funding or privately by private sector enterprise. That is not the issue.

For the Leader of the Government to suggest to this house and to me that it will be built two, or three, or four years quicker by the private sector is absolute nonsense. If the leader is not prepared to back up that statement with some demonstrative expressions of support from the banking industry in Canada, may I ask what her intentions are?

**Senator Fairbairn:** Honourable senators, I cannot respond to Senator Forrestall concerning the intentions of the banking institutions in Canada. However, I would point out to him that the improvements on the stretch of highway that is of such great concern to him and to every person in this house are a combined effort involving the province of Nova Scotia, the Government of Canada and the private sector in an attempt to remedy the situation as soon as possible.

As others have said — and my honourable friend will be aware — by this method we can accomplish improvements to this highway in two years that could otherwise have taken 10 or 12 years.

**Senator Forrestall:** Honourable senators, is the Leader of the Government suggesting to Nova Scotians that this present Liberal government would withhold Trans-Canada Highway funding projects for up to 10 or 12 years?

**Senator Fairbairn:** Absolutely not. I am not suggesting that at all.

**Senator Forrestall:** Then why would she make such a statement?

**Senator Fairbairn:** Honourable senators, I am suggesting to my honourable friend that, in the cost-sharing arrangements between the Government of Canada and the Government of Nova Scotia, the requirements of the task are such that, without additional assistance, the length of time to implement these improvements would have been increased.

**Hon. John Buchanan:** Honourable senators, by way of supplementary, I must make the comment that I do not know where those figures come from. In the agreements reached over the years dating back to 1987 and up to the 1993 agreement, the amount of federal money allocated under those agreements would have been available over five years. However, the expectation was that the road would be built within two years. A supplementary agreement was then discussed whereby the federal moneys would be made available within four years.

At that time, the Government of Nova Scotia was prepared to fund the interim amounts of money required to complete the task in two years. It would have cost a little over $1 million dollars in interest. However, the road would have been completed in two years. I do not know where the figure of 10 years comes from, because it was always contemplated that it would be a five-year funding agreement with the probability of it being reduced to four years.

**Senator Fairbairn:** Honourable senators, Senator Buchanan is undoubtedly much more aware of the details of the provisions

than I am. However, I am quite prepared to seek out details to provide him with an answer.

**Hon. Gerald J. Comeau:** Honourable senators, again, this evening, the Leader of the Government in the Senate gives the reason of inadequate funding as the rationale for the government privatizing that section of Highway 104. Therefore, it justifies the diversion of the $26 million that was in the kitty to build a portion of this road, or, perhaps I should say, to pave Mr. Dingwall's tourist trail.

• (2020)

I am not sure whether the Leader of the Government in the Senate is aware that recently, through an Order in Council, federal-provincial supplementary funding for the Canada-Nova Scotia Cooperation Agreement on Economic Diversification was granted, and that amendment will provide additional money to projects in the area of transportation, infrastructure and information technologies.

My question is this: Would the honourable minister consider advising the government to redivert the $26 million to Highway 104 and to use portions of the money allotted by the supplementary agreement to complete the Highway 104 section known as "Death Valley"?

Of course this proposal would be contingent on putting the $26 million back where it was intended to be and receiving funding from the supplementary agreement. Would the leader consider this angle as a way of getting out of these problems, which I am sure her government would like to solve?

**Senator Fairbairn:** Honourable senators, I would be pleased to pass on my honourable friend's suggestion to my colleagues. It goes without saying that this is not a one-sided agreement. It is a partnership between the two levels of government.

## CANADA-CHINA RELATIONS

### PROTEST OVER GRANTING OF VISA TO TIAWANESE OFFICIAL—GOVERNMENT POSITION

**Hon. Consiglio Di Nino:** Honourable senators, I read with interest today a headline in the *Montreal Gazette* which read: "Canada-China Row". I picked it up because I thought it must describe the Canadian government at odds with China over the sixth anniversary of the Tiananmen Square massacre and that country's continuing abuse of human rights. Instead, it was a report stating that a senior Chinese official had chastised the Canadian government for having granted a visa to the Vice-Premier of Taiwan.

The Government of China has referred to this matter as a "grave incident" and has taken Canada to task for having issued the visa. To this official reprimand, Canada's Minister for Asia-Pacific responded, "I don't think it's going to have any long-term impact, and I expect it to blow over."

Would the Leader of the Government table before this chamber Canada's representation to the Chinese government on this matter that has produced this "grave incident"?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will certainly convey my honourable friend's question to my colleagues and obtain for him any response that is forthcoming.

### DIPLOMATIC REPRESENTATIONS TO CHINA ON SIXTH ANNIVERSARY OF TIANANMEN SQUARE MASSACRE—REQUEST FOR INFORMATION

**Hon. Consiglio Di Nino:** While obtaining a response to my initial question, perhaps the minister might also obtain a copy of the diplomatic representation Canada surely must have made yesterday on the sixth anniversary of the grave event at Tiananmen Square. It is to be hoped that the Chinese response did not mimic that of Canada's Raymond Chan, that it would blow over.

**Hon. John Lynch-Staunton (Leader of the Opposition):** We are too small a country to do that; much too small. We will pick on Haiti but we would not pick on China. Read your foreign policy report on human rights. I read it on the weekend.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as I have stated before in this house, the Canadian government and the Prime Minister of Canada have spoken strongly on the question of human rights in China.

**Senator Lynch-Staunton:** When?

**Senator Berntson:** Where?

**Senator Fairbairn:** The Prime Minister spoke to officials in China while he was there. He has spoken publicly and privately on this matter.

**Senator Lynch-Staunton:** Oh, privately.

**Senator Berntson:** In whispers.

**Senator Fairbairn:** The occasion of this anniversary is of great concern to the Canadian government. As my friend said with some emotion earlier in this session, the circumstances which occurred in Tiananmen Square six years ago indicate how very far that country has to go in terms of the observation of human rights.

**Senator Lynch-Staunton:** We will do a little trade and they will come around.

### HUMAN RIGHTS AND COMMERCIAL RELATIONS—GOVERNMENT POLICY

**Hon. Richard J. Doyle:** Honourable senators, my question is for the Leader of the Government in the Senate and has to do with the same subject.

When she is speaking to the Leader of the Government in the other place on the subject of being stern with China, will she please obtain enough information that we can forward some of it to that newspaper in Toronto which keeps harping away at the subject and insists that Canada has been poignantly silent on China's repression of its citizens?

This newspaper was, in older, happier days, perhaps the leading authority on the subject of Canadian relations with China. It cannot be right now. Could the leader, in responding to

Senator Di Nino's question, get just enough information that we may placate, not only Senator Di Nino, but also *The Globe and Mail*?

**Hon. Joyce Fairbairn (Leader of the Government):** I know that my colleague has a particular affinity for that publication, and we will do our best.

## TRANSPORT AND COMMUNICATIONS

### DIRECTIONS TO CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ON DIRECT-TO-HOME SATELLITE DISTRIBUTION—COMMENTS OF MINISTER OF CANADIAN HERITAGE—GOVERNMENT POSITION

**Hon. Donald H. Oliver:** Honourable senators, my question is for the Leader of the Government in the Senate.

On Monday, May 29, 1995, the Minister of Canadian Heritage, the Honourable Michel Dupuy, addressed the annual meeting of the Canadian Cable Television Association in Halifax. In his remarks, he stated that the government:

> ...set up a special panel to advise the Government on DTH. Following receipt of the DTH panel report, the Government tabled a direction to the CRTC in the House of Commons, in accordance with the direction power under the Broadcasting Act.

He went on to state:

> The Standing Committee on Heritage is expected to consider the direction in June. It will come into effect in its present form, or an amended form if the government so decides, forty sitting days after tabling.

The honourable leader will know that her deputy leader has also tabled those orders in this house, as is ordered by law. The matter was also referred to the Standing Senate Committee on Transport and Communications. The first witness before that committee was the minister's assistant deputy minister.

My question to the Leader of the Government is this: Why does the minister treat this chamber and, indeed, the Parliament of Canada with such contempt by refusing to admit that this matter was tabled before this house and is being dealt with, according to law, by the Standing Senate Committee on Transport and Communications?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the Minister of Canadian Heritage is very much aware not only that the directives were tabled in the Senate of Canada, but that they are the subject of a vigorous examination and debate within our Standing Senate Committee on Transport and Communications. My honourable friend has read a quote here in this house. I assure him that there is no doubt in the minister's mind of the importance of the proceedings in the Senate.

**Senator Lynch-Staunton:** Another honest mistake, no doubt.

[ Senator Doyle ]

## CANADA-CHINA RELATIONS

### VALIDITY OF STATEMENT ON FREEDOM OF RELIGION IN TIBET—GOVERNMENT POSITION

**Hon. Consiglio Di Nino:** Honourable senators, thank you for this second opportunity to ask a question. This one relates to Senator Perrault's response to a motion which I have on the Order Paper. It deals with what he has suggested is the government's position, that Tibetans are free to practise their religion as they wish.

Honourable senators, my question is to the Leader of the Government in the Senate. A *Toronto Star* article on May 30, 1995, states:

> Amnesty International said today that Chinese police have jailed hundreds of Tibetan Buddhist monks and nuns, including dozens of child novices as young as 12, torturing many to extract confessions.
>
> 'Tibetan children accused of political offences have been tortured or ill-treated, held with adult prisoners and forced to do hard labour,' said a report compiled by the London-based human rights organization.

Surely, the government's position cannot be that Tibetans are free to practise their religion when reports are coming in almost every day from different organizations. Surely that statement must have been wrong. Please clarify this for me.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will endeavour to contact my colleague the Secretary of State for External Affairs and clarify the report and the incident to which he refers.

[*Translation*]

## NORTH ATLANTIC TREATY ORGANIZATION

### RESPECT OF HUMAN RIGHTS AS CONDITION OF CONTINUING MEMBERSHIP—GOVERMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, some of my colleagues raised the issue of human rights. I want to take this opportunity to ask the following question. Canada and its NATO allies have considered and will continue to consider the possibility of widening the circle of allied members of NATO to include certain countries that have now been freed from the communist yoke.

One of the criteria now being examined is respect for human rights. Does the leader think that not only should respect for human rights be one of the criteria for membership in NATO but failure to respect human rights could be a reason for losing NATO membership?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend will agree that Canada's partners in NATO share these concerns on matters of human rights. I will pursue his question as to the considerations on the entry of new members into NATO and see what kind of a response I can get.

**Senator Nolin:** Honourable senators, what does the Leader of the Government have to say about those present member countries of NATO that do not respect human rights? Will the government agree to raise questions concerning this problem? Some of our allies, such as the United States, are questioning the attitude of Turkey toward the Kurds, for example.

**Senator Fairbairn:** Honourable senators, I would be pleased to take that specific example to my colleague to ascertain what his position is on the issue raised by my honourable friend.

One would wish, perhaps, to have a more precise comment from my honourable friend than one which, in some ways, is hypothetical.

[*Translation*]

**Senator Nolin:** Honourable senators, I would like to ask another question if I may. I could go into details and other colleagues can certainly provide details. The Turkish government has set out in a rather conspicuous way to destroy whatever shred of democracy it had recognized for the Kurdish minority found within its country. I cite the example of mines being laid on purpose in Kurdish territory.

Together, we could invite democratically elected Turkish members of Parliament who used to represent this Kurdish minority but were virtually expelled from their country, and who are now living in exile. If it is details the leader is looking for, I can give her some. I am asking a precise question: Is your government considering the possibility of raising with its NATO allies the issue of Turkey remaining a member of the Alliance?

[*English*]

**Senator Fairbairn:** Honourable senators, I will enquire of my colleague.

[*Translation*]

## HUMAN RIGHTS

RELATIONSHIP TO TRADE—REQUEST FOR DEBATE

**Hon. Marcel Prud'homme:** Honourable senators, I would say that human rights is an area of continuous concern to honourable senators.

[*English*]

With respect to this question, my father always said, "When you talk about human rights, you cannot pick and choose. If you believe in it, then you believe in the universality of it."

I think the time may have come for honourable senators on both sides of the house to re-examine the question of human rights. I am not being partisan when I say this. For many, it is a matter of human rights or trade, while for others it is a matter of trade or human rights. For me, it is a matter of trade and human rights.

I refuse to pick and choose. My honourable friend has made mention of what is going on between the Kurds and the Turks, and there was an earlier mention of the conditions in Tibet. There are other more general principles involved. The fighting which resulted in a civil war today may help some Liberals remember comments that were made in caucus about choices having to be made between civil war and the imposition of military law.

I suggest that there should be a debate on this subject. I do not know what form such a debate should take. However, it is important that a general debate on this issue be held, since the issue resurfaces from time to time.

We are all being lobbied constantly on behalf of one cause or another. If we have particular policies for some and different policies for others, then great ambiguities can ensue.

Perhaps we could continue this debate by speaking to the motion moved by the Honourable Senator Gauthier calling our attention to the recommendations of the Special Joint Committee of Parliament Reviewing Canadian Foreign Policy, upon which committee the honourable senator worked so diligently with the Honourable Senator MacEachen. It would be useful for honourable senators to spend an afternoon discussing this question of human rights.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I hear the honourable senator's request. However, it has never been difficult to raise an issue of this importance in the Senate, and to have a full discussion in this house which can extend beyond just an afternoon. That is one of the benefits of the procedures of this place.

I agree with the honourable senator when he says that this is not an issue on which one can pick and choose. It is an issue of fundamental importance to this country and to this government, and one which is worthy of debate in this chamber.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on March 28, 1995 by the Honourable Senator Doody regarding the actions of the Film Review Board on adult films; a response to a question raised on February 14, 1995 and revised on April 6, 1995 by the Honourable Senator Di Nino regarding the renovation of windows at the Lester B. Pearson Building; a response to a question raised on May 2, 1995 by the Honourable Senator Spivak regarding the Oriented Strand Board Plant; a response to a question raised on May 2, 1995 by the Honourable Senator Doyle regarding the cancellation of the East Block tunnel project; a response to a question raised on May 11, 1995 by the Honourable Senator Corbin regarding the Canada Council reductions in staff in the Atlantic region; and a response to a question raised on May 11, 1995 by the Honourable Senator Johnson regarding the Training Initiatives Program.

## CANADIAN HERITAGE

ACTIONS OF FILM REVIEW BOARD ON ADULT FILMS—GOVERNMENT POSITION

(*Response to question raised by Hon. C. William Doody on March 28, 1995*)

The Film Review Board in question is the Ontario Film Review Board, which operates under the jurisdiction of the

Ontario Ministry of Consumer & Commercial Relations. The film classification process is a provincial responsibility and as such, this enquiry should be directed to the Government of Ontario. The federal government has no authority in these matters, unless Criminal Code provisions are implicated.

The Supreme Court of Canada, in Butler, held that any depiction of sex which is dehumanizing, degrading or violent is in contravention of the obscenity provision of the Criminal Code and has an adverse effect on women's struggle for equality.

## PUBLIC WORKS

### RENOVATION OF WINDOWS AT LESTER B. PEARSON BUILDING—CANCELLATION OF CONTRACT—GOVERNMENT POSITION

*(Response to question raised by Hon. Consiglio Di Nino on February 14, 1995 and April 6, 1995)*

The construction contract was awarded on August 14, 1994 to a Mississauga firm at a cost of $1,199,000. At this time, negotiations for termination are still under way.

The current estimate for construction costs of material and labour, in the original contract was $744,500. Consultant costs come under a separate agreement for which the current cost estimate is $155,500.

At the time of cancellation about 25% of the work had already been done. The department has purchased about 2,500 windows which had been ordered already by the contractor when the contract was cancelled. These will be put into storage in the Lorne Building and a warehouse and used as replacements only as required over the coming years. Approximately 532 of the 3,796 windows have been replaced to date.

## ENVIRONMENT

### MANITOBA—ORIENTED STRAND BOARD PLANT—POSSIBILITY OF HEARING BEFORE INDEPENDENT REVIEW PANEL—GOVERNMENT POSITION

*(Response to question by Hon. Mira Spivak on May 2, 1995)*

The conditions of the Canadian Environmental Assessment Act apply in situations where agencies and departments of the government of Canada have a direct decision-making responsibility. With respect to the forest management agreement reached between Manitoba and Louisiana Pacific, no such direct decision-making responsibility exists. Management of the forest resources is a sole responsibility of the provinces. The reaching of an agreement for harvesting of the forest resources is not, in itself, a project as defined under the Canadian Environmental Assessment Act.



The Minister of the Environment advises that, at present, Louisiana Pacific is preparing a ten year forest management plan in accordance with conditions of the noted agreement. As well, we are advised that under the Manitoba Environment Act, an environmental impact assessment of that plan is being conducted and will be vetted publicly.

In accordance with the Canada-Manitoba Agreement on Harmonization of Environmental Assessment, Manitoba will be providing to the Canadian Environmental Assessment Agency, for review, copies of the Assessment Report and ten-year plan in order for federal departments and agencies to determine their on-going responsibilities.

When Louisiana Pacific develops its detailed operational plans, federal departments and agencies will again review the documents. It is anticipated that at that point sufficiently detailed information will be available to determine if a responsibility under the Canadian Environmental Assessment Act exists. If this is the case, appropriate action under the Act will be taken by the responsible authority.

## PRECINCTS OF PARLIAMENT

### CANCELLATION OF EAST BLOCK TUNNEL PROJECT—REQUEST FOR INFORMATION

*(Response to question by Hon. Richard J. Doyle on May 2, 1995)*

This matter has not yet been resolved. Discussions aimed at negotiating a settlement acceptable to both parties are currently ongoing between the contractor and the department.

The amount of settlement has not yet been agreed upon. A total of $303,300 was spent for design and tendering.

## CANADA COUNCIL

### REDUCTION IN STAFF IN ATLANTIC REGION—EFFECT ON PROGRAMS—GOVERNMENT POSITION

*(Response to question raised by Hon. Eymard G. Corbin on May 11, 1995)*

The Canada Council is represented in the regions through its Board, juries and Arts Advisory Committee membership. Historically, the Council has only had agents in the Atlantic Region (Halifax and Moncton). In June of last year, the Council decided not to renew their contracts as part of a $2.4 million reduction to its administrative budget. In addition, the Government has indicated its intention to reduce the Council from 21 to 11 members. This is in accordance with the Government's announcement regarding the reduction of appointees government-wide. Despite these reductions, which resulted in fewer members from across the country, representation from the Atlantic Region has been retained. Currently, one representative, Patricia Grattan from Newfoundland, who is Head of the Canadian Art Museum Directors' Organization and Director of the

Gallery at Memorial University, represents the Atlantic Region.

Following a strategic review of its operations and programs, the Canada Council announced significant changes to its structure. However, in its announcement, the Council made strong reference to better serving the regions of the country. The Council operates independently from the government and the changes announced were decisions made by the Council according to the strategic plan it had developed and approved.

The strategic plan states that the primary goals of the Council are to preserve its grants budget and to maintain service to the arts community which includes service to the regions. To obtain this goal, therefore, the Council will reduce its number of positions from 238 positions to 162. This is the first phase of the restructuring process. The Council will now move into the next phase which is program re-design. Although the number of programs, which currently stand at 100, will be reduced, they will become more flexible and the criteria for application will be enlarged.

We will ensure that the Council is aware of the Senator's views and we will pay close attention to the program re-design phase which is now underway.

## TRAINING INITIATIVES PROGRAM

AMOUNT OF FUNDS AVAILABLE FROM HUMAN RESOURCES DEVELOPMENT—GOVERNMENT POSITION

(*Response to question raised by Hon. Janis Johnson on May 11, 1995*)

The Cultural Human Resource Council (CHRC), announced on January 19, 1995, to oversee the implementation of a wide-ranging human resource strategy in the cultural sector, was established on May 1 rather than April 1, 1995, as was indicated by the Honourable Senator Johnson.

CHRC has recently requested $1.5 million for Training Initiatives Program (TIP) strategic training and development activities for 1995-96. CHRC has been inundated with over 200 TIP applications, about twice as many as last year. These applications have now been reviewed and prioritized. Recommendations were made to, and approved by, CHRC's Chairperson and Executive on May 19, 1995. These recommendations were approved and have been forwarded to HRDC for final approval.

Departmental officials are processing the proposal, and a decision is expected shortly. Following this, contract negotiations for TIP will commence with CHRC.

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

HUMAN RIGHTS—TERMINATION OF DISCUSSIONS WITH MULTICULTURAL ORGANIZATIONS ON REDRESS FOR PAST INJUSTICES

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 73 on the Order Paper—by Senator Oliver.

CANADIAN RACE RELATIONS FOUNDATION—PARTICULARS ON ESTABLISHMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 74 on the Order Paper—by Senator Oliver.

1995 BUDGET PLAN—PARTICULARS ON SAVINGS FOR FISHERIES AND OCEANS

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 82 on the Order Paper—by Senator Tkachuk.

1995 BUDGET PLAN—PARTICULARS ON SAVINGS RESPECTING DEPARTMENT OF CANADIAN HERITAGE

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 87 on the Order Paper—by Senator Tkachuk.

TRANSPORT—STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—APPLICATION OF TOLLS ON CANADIAN HIGHWAYS

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 96 on the Order Paper—by Senator Forrestall.

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# ORDERS OF THE DAY

## SCRUTINY OF REGULATIONS

CONSIDERATION OF THIRD REPORT OF COMMITTEE—DEBATE CONCLUDED

The Senate proceeded to consideration of the third report of the Standing Joint Committee for the Scrutiny of Regulations (Report no. 57 — Disallowance), tabled in the Senate on May 11, 1995.—(*Honourable Senator Lewis*).

**Hon. P. Derek Lewis:** Honourable senators, I should like to draw to your attention the third report of the Standing Joint Committee of the Senate and the House of Commons for the Scrutiny of Regulations, which was tabled in both Houses of Parliament on May 11, last.

As honourable senators will see, this third report, which is entitled "Disallowance", reports on a resolution by the joint committee that sections 23, 41 and 42 of the National Capital Commission Traffic and Property Regulations, C.R.C.1978, c.1044, be revoked. The report is tabled in this chamber for the information of the Senate.

The authority for the making of such a report is provided for in Standing Order 123 of the House of Commons which empowers the joint committee to make a report to that house containing a resolution which, if the report is concurred in, would be an order of the house to the ministry to rescind a specified regulation or other statutory instrument which the ministry has authority to rescind.

There are rules as to how the report is to be dealt with in the House of Commons leading to its adoption or otherwise. It may interest senators to hear that since being granted this power of disallowance in 1986, the joint committee has only resorted to its use on four occasions.

• (2040)

The third report deals with a review by the joint committee, which started in February 1985, of regulations made by the National Capital Commission. As a result of this review, the joint committee came to the conclusion that section 23(*b*) of the regulations was *ultra vires* the National Capital Act, and that sections 41 and 42, purporting to grant powers of entry, search and seizure, had been made without clear grants of legislative authority. The text of the provision is to be disallowed and the committee's reasons for the disallowance are set out in Appendices A and B respectfully of the report, to which I direct your attention. Section 23(*b*) attempts to add, by way of regulation, powers which were not expressly granted to the commission by the statute under which the regulations are made.

Turning to the powers of entry, search and seizure granted under sections 41 and 42, these clearly intrude on the rights and liberties of citizens, and to be effective should certainly not be enacted without clear and express grant from Parliament. The committee's view was that they were not.

The joint committee brought these serious concerns to the attention of the National Capital Commission with the suggestion that the regulations be revised accordingly. The commission advised, in March 1985, that they would be addressed in revised regulations by August 1986. Despite much correspondence between the commission and the joint committee, the commission has failed to submit the promised revised regulations. Accordingly, although the committee feels the revocation of the illegal provisions of these regulations should long ago have been effected by the National Capital Commission itself, the committee has decided that there is no alternative but to resort to its powers of disallowance, hence the tabling of this report.

It remains to be seen how the report will be dealt with in the other place.

**The Hon. the Speaker:** If no other senator wishes to speak, this order is considered debated.

## PRIVILEGES, STANDING RULES AND ORDERS

### REPORT OF COMMITTEE—QUESTION OF PRIVILEGE

**Hon. Eymard G. Corbin:** Honourable senators, I rise to give notice that I intend to raise a question of privilege regarding an entry in the *Minutes of the Proceedings of the Senate* concerning the tabling of a report by the Standing Committee on Privileges, Standing Rules and Orders, inasmuch as the Senate, in my opinion, has improperly adopted a suggestion from that committee, in the sense that that has not been done in accordance with the required forms of the Senate.

I will attempt to raise that question of privilege at the earliest opportunity.

## TRANSPORT

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—DIVERSION OF FUNDS—REQUEST FOR EXAMINATION BY AUDITOR GENERAL OF CANADA—DEBATE ADJOURNED

**Hon. J. Michael Forrestall,** pursuant to notice of Thursday, May 25, 1995 moved:

> That this house urge the Auditor General of Canada to examine every aspect of the diversion of funds from the Strategic Highway Improvement Program in order to fund the Fleur-de-lis tourist trail in Cape Breton, Nova Scotia, and to report to Parliament on this matter at the earliest opportunity.

He said: I rise tonight, honourable senators, because this matter has taken on national proportions. In other words, what has happened in Nova Scotia could very well happen in every province in Canada. Indeed, I cannot envision, as one Liberal member of Parliament has suggested, taking the tollbooth out of Nova Scotia and putting it at the border. Frank McKenna, the Premier of New Brunswick, would not want such reciprocal arrangements — and you know how far it is to Mike Harcourt in British Columbia, and how far it is to Campbell River.

I rise to address a motion which urges the Auditor General to take a look at the legal aspects of this issue. This is a diversion of public funds subject to the Financial Administration Act of Canada, and subject to the existing federal-provincial Strategic Highway Improvement Program. This diversion has been made in order to support the development of the Fleur-de-lis Trail.

I have no objections to money being spent on such a project. As in every province, that trail is part of the development of roads to resorts. Some honourable senators have been around here long enough to remember when the Honourable George Nowlan proposed a program of "roads to resources". It got a little misconstrued by government, and some people asked, "Did he says 'roads to resources' or 'roads to resorts'?" George Nowlan, that distinguished Nova Scotian, was very quick to respond, "Of course, a resort is a resource." Senator MacEachen will recall that incident, as will others. That was the beginning of the development of a series of comprehensive agreements between Ottawa and the provinces with respect to a national program on highways.

• (2050)

I understand that my colleague Senator Comeau will enter into this debate in some detail with respect to that aspect of the issue. He is becoming somewhat alarmed, as am I and many others in Nova Scotia. I am sure that he will have more than a few things to say about this subject.

I should like to explain to honourable senators why I believe it is imperative that the federal Auditor General look into this matter at the earliest opportunity.

Given the responses from the Leader of the Government, I am compelled to mention that this whole event constitutes political opportunism at its worst. For those senators who are unfamiliar with the issue, I will explain.

It was recently discovered by the Auditor General of the Province of Nova Scotia that funding contained in the Strategic Highway Improvement Program for the construction of Highway 104 in the area of Wentworth, Nova Scotia had been diverted from that project to the Fleur-de-lis Trail in Cape Breton. In his annual report, the Auditor General of Nova Scotia uncovered the diversion scheme and outlined his reasons for concern in his report:

> The agreement notes that all projects undertaken are to be part of the National Highway System.

Although the Fleur-de-lis Trail is important to tourism in Nova Scotia, it is not part of the Trans-Canada Highway system. It is neither a significant part, nor a significant connector.

To understand the importance of this decision, one has only to drive over that portion of Highway 104. Some refer to it as "Death Valley". There is ice in the winter and fog in the spring and fall. These are only two of the obstacles motorists must endure on this highway. To say the least, it is winding and it requires additional twinning to what is already in place to afford more safety to drivers.

The road which is part of the main Trans-Canada Highway route into our province from New Brunswick and Canada has taken the lives of over 40 individuals since 1986. It cannot be overstated how incredibly dangerous this portion of the Trans-Canada Highway is. This is a highway that many local residents, for example, use daily to go to work or to travel back and forth to New Brunswick. Many of these individuals are university students.

Truckers must also endure this stretch of road. Anyone who has travelled on our national highway system with the truckers knows the peril, the danger, and the upset of having to tolerate that type of traffic for long periods of time.

Honourable senators, the aim of the strategic program was to twin the Trans-Canada Highway to ease this burden. The movement away from rail to truck has been startling and significant in the last 15 years. There is nothing on the horizon to suggest any turn around of this trend. Reversion to railway transportation does not appear to be an option which is being considered for the movement of our goods and products.

Honourable senators, this is not just a situation where you have a few ministers deciding to divert a pot of money to their own particular little project to enhance their election prospects. I am not joking. Minister Dingwall and Minister Mann share the constituency to which these funds have been diverted.

Honourable senators, I fought eight elections in Canada and was successful in seven. I am proud of that record. Today, I am beyond cynicism. I am now hopeful. However, I am bashed down on the rocks by the likes of this.

Honourable senators, I would suggest that Canadians who use our Trans-Canada Highway network, tourists and regulars, resent the loss of this money because it has increased the time between now and when Highway 104 will be a four-lane highway and, therefore, when it will be safe.

Decisions are now being taken respecting building highways which will be used exclusively by trucks and highways which will be used solely by automobiles. Surely, this is not the time to play games with a program that has been time-tested through a series of governments, both Conservative and Liberal. Now is not the time to alter the rules. Now is not the time to change the policy. I suggest this is a new policy.

Honourable senators, I agree with the Leader of the Government in the Senate, and I agree with everyone else, that the sooner the highway is twinned, the better for everyone.

Earlier today I made the suggestion to the Honourable Minister that he should approach the lending institutions and banks in an effort to persuade them to come forward with funding. I am informed that they will not. What would happen if everyone were to boycott the new highway? How would the debt be repaid if no one were to use the highway? Everyone who travels along the existing route is conscious of its hidden potential to cause serious, life-threatening situations.

This raises important questions, honourable senators. John Savage cannot escape ramifications of the decision that has been taken. He must have approved it.

• (2100)

This is a federal-provincial program, renegotiated and signed behind closed doors, without public debate. The Deputy Leader of the Government in the Senate knows what I am talking about.

The Strategic Highway Improvement Program came into effect on April 1, 1993. It flowed from the Strategic Capital Investment Initiative announced by the then Minister of Finance, Don Mazankowski, on December 2, 1992. The guiding principle for this program was the recognition of the need for Canada to improve its transportation infrastructure as a means of achieving both short- and long-term economic benefits for the country as a whole. I ask, will tollbooths help to achieve that goal?

It was a basic formula: for Canada to be competitive in the new global economy, we had to ensure that our physical infrastructure was up to speed. That meant our national highway system had to be upgraded and expanded to guarantee the easy and safe shipment of goods across the country and, ultimately, to markets in the south.

Section 2 of the agreement signed by the Government of Nova Scotia clearly states what these funds will explicitly provide. It states:

> The purpose of this Agreement is to enable Canada and Nova Scotia to jointly finance certain improvements of the Nova Scotia National Highway System, in accordance with strategy as outlined in Schedule "A".

Schedule "A" explains the strategy, as follows:

> The projects identified in this program will continue the focus in Nova Scotia to upgrade national highways to four-lane facilities. These highway improvements will directly reduce the number of highway accidents and fatalities and added to this benefit is also the reduction in the cost of property damage that results from such highway accidents.

**The Hon. the Speaker:** I hesitate to interrupt Honourable Senator Forrestall, but I regret to inform him that the 15-minute period has expired.

**Senator Forrestall:** Perhaps honourable senators will allow me to continue.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Forrestall:** Honourable senators, not only were the needs of Nova Scotians ignored by this decision, taken *in camera*, so too was the intention of the program disrupted. As quoted from the agreement a moment ago, the criteria clearly state that the money was to be used on highways that are part of a national highway system. Perhaps one should not be too surprised at the rather questionable use of infrastructure money. One must call into question the integrity of the Red Book, given some of the decisions that have been made, this one not the least important.

To add insult to injury and to rub a little salt in the wound, the Savage government of Nova Scotia and its overzealous ministers have attempted to deal with the problem, as I have suggested, and have come up with a proposal respecting Highway 104 funding. Perhaps Senator Comeau will deal with that in more detail.

The integrity espoused by the government in the Red Book was taken seriously by most Canadians. Some of us, including myself, hoped that the government would be able to live up to those ideals. I agreed with only some of the contents of the Red Book; much of it I did not. Integrity is a most important part of dealing with the public generally. We do ourselves no favours in terms of exploiting, developing and expounding our seriousness with the Canadian public when we do things such as this. Canadians, particularly Nova Scotians, would be well served if the facts surrounding this matter were brought to the fore by the Auditor General of Canada. I agree that we must discuss any new policy, but if there has been no change in policy, then I call upon the Auditor General to make recommendations that the funding be restored from national federal funding as soon as humanly possible because it is sorely needed.

**Hon. Gerald J. Comeau:** Honourable senators, I rise to speak on the motion moved by my colleague Senator Forrestall urging the Auditor General to review the decision by the federal government to divert $26 million from the Highway 104 project to the Fleur-de-lis Trail in Nova Scotia.

The leader of our party, the Honourable Jean Charest, has written to the Auditor General asking for an investigation at the earliest opportunity. I concur with our leader's decision that a full review of this decision is necessary if Nova Scotians are to obtain the answers they deserve regarding all aspects of the decision to divert the funds.

For weeks we have listened to denials and flip-flops on who is to blame for the decision to take money from Highway 104 and use it on the Fleur-de-lis Trail. For weeks the Minister of Public Works said nothing, hiding behind the Minister of Transport who initially denied any involvement by the federal government. After repeated questioning by Mr. Charest in the other place, the Minister of Transport finally admitted that he had been involved, but only to approve a request that had been made by the Province of Nova Scotia. Even the Leader of the Government in the Senate and the Prime Minister were using the same line attempting to absolve federal Liberals from any wrongdoing. If that were the case, perhaps the government could explain why the provincial Minister of Transportation indicated time and again that it was Mr. Dingwall who approached the province about diverting the money to their respective Cape Breton ridings. Canadians deserve to know the truth.

In attempting to defend his actions, Mr. Dingwall argued that an agreement in principle was drawn up before he announced the funding for the Fleur-de-lis Trail in February 1994. I am sure Nova Scotians would like to review the documents that relate to this agreement in principle.

It also seems strange, honourable senators, that it took until May of that same year to formally amend Schedule "B" of the Strategic Highway Improvement Program. Perhaps the government could shed some light on the reasons for that delay. At the same time, perhaps the government could explain to Nova Scotians why it took another six months before Minister of Transport, Doug Young, gave his approval in writing for the diversion of the money.

With so many unanswered questions, it is imperative that the Auditor General undertake an in-depth review of the circumstances surrounding the blatant abuse of power on the part of the Minister of Public Works.

There is also the issue of tolls mentioned briefly by my honourable colleague Senator Forrestall. A proposal has been drawn up and legislation passed to undertake an arrangement with the private sector to have a toll placed on Highway 104 in Nova Scotia. Honourable senators can certainly understand why the people of Nova Scotia are angry and upset. First, they learn from the Auditor General of Nova Scotia — not from their government — that funding for Highway 104 was stripped away to pay for Mr. Dingwall's tourist trail. Then they were hit with the plan to charge a toll on this highway as a means of recouping the money given to Mr. Dingwall to build his road.

• (2110)

The decision to put tolls on Highway 104 has far-reaching implications. Make no mistake about it, honourable senators, we are witnessing the first toll to be placed on the Trans-Canada Highway system in this country.

It is most surprising that the person who made a mockery of the provisions of the SHIP agreement to suit his own political needs has, until recently, been silent on this whole issue. The minister did surface last week to indicate his full support for the tolling proposal, going so far as to say that, like it or not, privatizing the Trans-Canada Highway system is the Liberal way of the future.

I assume this must be news to the Leader of the Government in the Senate who, in a recent response to questions from my colleague Senator Tkachuk, denied vehemently that the Liberal government had instituted a new policy of privatizing the Trans-Canada Highway. However, according to her cabinet colleague, the Minister of Public Works, that is exactly what is taking place. The plan to toll the new Highway 104 is just the beginning, as the Liberal government puts Canada's national highway up for sale and tollbooths start appearing from one end of the country to the other.

We perhaps should not be shocked that such a major new policy has been adopted by the government without any concern whatsoever for the public. Having no opposition in the other place leads to complacency and being a little too relaxed. This is another example of the resulting Liberal arrogance that Canadians have become accustomed to over the past few months.

I do question the motivation behind this decision to privatize the Trans-Canada Highway. Is this simply another example of government by reaction, which we have seen over the last 18 months? Was this shift in policy a well thought-out decision or just a reaction to a mess created in Nova Scotia by an overzealous minister?

Try to picture it: David Dingwall and Richard Mann decide they want the Fleur-de-lis Trail paved. Where will they get the money? "There is the money in the Highway 104 'Death Valley' highway project. We can take that money, put it into our own riding, and then charge the motoring public a toll to recoup the funds that we took in the first place."

Whatever the motivation, Canadians are justified in being concerned. Take, for example, the reaction in Nova Scotia to this proposal. The Nova Scotia Chamber of Commerce, for once, is warning of the detrimental effect that placing a toll on the country's main link to the province will have on our provincial economy. Transportation costs will increase, the prices of consumer goods will go up, and the economy, already in a vulnerable state, will be further weakened. Add to that the devastating impact this toll will have on our tourism industry, which makes up such a significant part of the Nova Scotia economy, and you have a real mess.

It is not only the business community that is speaking out. Individuals and groups, young and old, are voicing their opposition to this Liberal scheme. Local residents who will be affected on a daily basis, as well as Nova Scotians from across the province, have joined together to demand that the $26 million taken from the Highway 104 project be returned immediately. "Terminate the toll" phone lines have been set up. Letters are being written. Petitions are being signed. The arrogance of this government in trying to divert money without public knowledge was bad enough, but now to try and push through a brand new policy that will allow for user fees to be charged on our highways without having public consultation will not be tolerated by the people of Nova Scotia.

The only voices not being heard in Nova Scotia are those of the 11 Liberal members of Parliament from that province. I ask honourable senators, where have they been, and why are they not speaking on behalf of their constituents? They are obviously more concerned with toeing the party line and taking their marching orders from Mr. Dingwall than properly representing the people who sent them to Ottawa in the first place.

We have heard from only two Liberal members of Parliament from Nova Scotia on this issue, one being Mary Clancy, who was extolling the virtues of having a cover charge for admittance to the Trans-Canada Highway. The other is the Honourable Member of Parliament whose riding Highway 104 runs through, Diane Brushett. She has tried to convince her constituents that she is on their side in fighting this decision as vigorously as they are, but then describes her lobbying efforts as "shouting and screaming — quietly." Perhaps this is the Liberal Party's new approach to representing their constituents: shout and scream, but do not do it loudly enough that anyone can hear. Walk softly and carry a small stick.

In a letter to Mr. Dingwall, the MP for Cumberland Colchester came up with her own toll proposal, placing a tollbooth at the border coming into New Brunswick. I have not yet heard Mr. Dingwall's response to his colleague's idea. He has said that toll roads are inevitable. Could that mean the government is possibly considering charging fees for motorists entering Canada's "Ocean Playground"?

Given everything we have heard in the past few weeks, extending the user fee policy to border crossings between provinces would not be much of a reach for this government. It does, however, fly in the face of comments made by Finance Minister Paul Martin and Foreign Affairs Minister André Ouellet who, just a few months ago, denounced suggestions by American President Bill Clinton to have a border tax levied at crossing points between Canada and the U.S. Would the same not apply within Canada?

It is hard to imagine that we are even considering the notion of placing a surcharge on Canada's national highway system. I do not believe that this is what our predecessors envisioned when the highway was built to link this vast country from east to west. In the years since then, when the provinces and the federal government have entered into arrangements to fund our highways, the idea of using tolls has never been discussed, and the reason is probably quite simple: Why would there be a toll placed on a road that was already receiving money from Canadians through their tax dollars?

In fact, the SHIP agreement states clearly in section 6.1 that this program is to be funded 50/50 between the provinces and the federal government. Charging tolls on this highway will mean a reduced contribution from the province. Does the federal government plan to decrease their funding proportionately to be in compliance with the SHIP agreement?

Honourable senators, in bringing this issue before this chamber, I hope we have been able to communicate how important it is to the people of Nova Scotia and equally important to the people of Canada. There are many unanswered questions that must be answered. I hope the Auditor General will be able to provide Nova Scotians with the answers they deserve.

It is equally disturbing to watch the Liberal government move along this path of privatizing our national highway system. I only hope that Canadians will be afforded the opportunity to have their voices heard on this subject.

However, we must first hear from the Auditor General. I trust that our colleagues opposite will agree that this investigation is warranted and join with us in support of this request.

**Hon. John Buchanan:** Honourable senators, I have a few words to say on Senator Forrestall's motion.

Members on the other side from Cape Breton and other parts of Nova Scotia are familiar with what this debate is all about. I am the first to agree that the Fleur-de-lis Trail is an important highway project and has been so for many years. Over those years, from time to time, we have tried to put money together to complete the Fleur-de-lis Trail. I drove down to Cape Breton not too long ago to talk to some people about the situation there. I was in Port Hawkesbury, St. Peters and Grand River, which are in Richmond County. It is interesting to talk to very reasonable people about a situation such as this. They are anxious to have the Fleur-de-lis Trail completed from Highway 4 into Grand River and then from Grand River on to Fort Louisbourg.

• (2120)

On the other hand, it is interesting that the number of people to whom I spoke said that it was not correct to take money from the Highway 104, Folly Mountain and Folly Lake area. As Senator Forrestall has already mentioned, approximately 40 people have been killed there since 1986. One gentleman to whom I spoke in St. Peters said that his daughter was in a serious accident there a few years ago, and that he would have preferred to have the money go to Highway 104 rather than to the Fleur-de-lis Trail.

Other people who are anxious to have the highway finished will say that this is a political matter between two levels of government and opposition parties. They just want their road completed.

On the other hand, many people in Port Hawkesbury think that the money should have gone toward upgrading Highway 4 and Highway 105. You will find that in every situation. Over the 24 years that I was in that provincial legislature I found that different people in different areas wanted different things. That is politics.

Approximately three weeks ago, honourable senators, I had occasion to drive from Halifax to the Amherst shore to speak at a noon-hour luncheon for the installation of the new Chancellor of Mount Allison University. From there, I went on to Mount Allison, arriving at five o'clock in the middle of a snow storm. In places the highway was covered with up to five or six inches of heavy, wet snow. I left Mount Allison at around 9:30 on Sunday night to drive back to Halifax. Coming across the Tantramar Marsh the snow was so heavy — and this was the first week of May — that it was all I could do to see a few feet in front of the car. There was a lot of snow both in Nova Scotia and on Cape Breton Island that weekend.

On the way across the marsh, it suddenly became evident to me that I may have some difficulties getting through the Wentworth Valley, particularly in the Folly Lake area and over Folly Mountain. I called the RCMP in Truro on my car phone to find out what the situation was there. I was told: "If you are asking me if you should continue to Halifax tonight or stay in Amherst, I will tell you right now to stay in Amherst." That night there was a serious accident at Folly Mountain. Two police cars were dispatched. One of them could not even get up to the scene of the accident. I immediately pulled into the driveway of my former Minister of Agriculture, Roger Bacon, and stayed the night with him. I am glad that I did.

Any who have driven that road from Amherst, particularly from Oxford to Masstown, will know what I mean. In the middle of winter that road is probably the most treacherous piece of highway in any part of Atlantic Canada.

That road carries all of the transport trucks that come out of Newfoundland, Cape Breton and Eastern Nova Scotia, and probably 80 per cent of the trucks that come out of the Halifax-Dartmouth area heading for Central Canada or the United States. You can imagine the problems on a highway — and if you have ever been there, you will know what I mean — that is treacherous not only in the middle of winter, but all year round. I have seen on that road cars hydroplaning and big transport trucks jackknifed across the road. It is no wonder so many people have been killed on that highway.

Honourable senators, back in 1988-89 we planned to build a new highway from Truro to Amherst. We actually commenced the twinning of the highway from Truro to Masstown in 1989-90 and, concurrently in 1989-90 commenced twinning the road from Amherst to Oxford. The missing link was from Masstown to Oxford, because we did not want to build the road next to the existing Trans-Canada Highway as you would still have to go over Folly Mountain, which is the most treacherous part of the road.

The plan was to go either west or east of the existing Highway 104 with a new, twinned highway. At no time was it ever considered that it would be a toll road. It was never even thought that it would become a toll road, far from it. Nor did we think it would be done by private contractors who would then set up tolls and run a toll system. That was never thought of at all. That is a new concept in Nova Scotia and probably everywhere else in Canada, except for some bridges.

Honourable senators, the funding that was put together back in the late 1980s was for the 100 series highways. We passed a bill in our legislature to add one cent to a litre of gas. It was then increased a couple of years ago to two cents per litre for new highway construction and highway improvement, including Highways 104, 102, 101 103, and so on. Some of those highways are now under construction, but let us concentrate on the treacherous area of Highway 104, namely, Folly Mountain.

In 1993, the SHIP agreement was signed. That agreement, together with one in New Brunswick, was to complete the Atlantic highway system. The moneys included in the Nova Scotia agreement and in the New Brunswick agreement — which were separate

agreements — were specifically for the national highway system. That is, for national transportation use or international transportation use to do with the Free Trade Agreement and later NAFTA. That money was to be used specifically for the Highway 104 twinning.

Some say, "No, that money was to be used for Highway 101." That is not correct. The Highway 101 money, for the most part, came from the special fund set up under legislation and some federal money from the SHIP agreement. There was never any question that the moneys in that agreement were to be used for anything other than the Highway 104 and 100 series highways.

I know what happened when Richard Mann and Doug Young signed an amendment that allowed them to proceed with some of those moneys from the Fleur-de-lis Trail, but it contradicted the original agreement. There is no question about that. Anyone in this chamber who knows about the situation knows that it contradicted the original agreement.

Here we are with a situation in Nova Scotia that when finished will be unique in Canada. However, that is a provincial matter, and I will not get involved in provincial matters. Nevertheless, it will be unique in Canada to have a toll road.

I know Dianne Brushett and I like her, but I could not believe it when I read on the front page of the *The Chronicle-Herald* that she was suggesting that they take the tollbooths from Oxford and put them at the Nova Scotia-New Brunswick border. What an incredible situation that would be! Tourists would then say, "I will not go to that province because you have to pay to get in. I will stay in New Brunswick." Doug Young would be happy about that. However, that is exactly what would happen. Tourists would be told, "You have to pay to go to Nova Scotia, but you do not have to pay to enter New Brunswick. You can stay here and we will look after you."

Doug Young, the other federal MPs and Premier Frank McKenna would be happy with that situation, but you can see how ridiculous it would be to put tolls at the Nova Scotia-New Brunswick border to pay for one section of highway. That is just as ridiculous as it would be to put tolls at the Oxford end so that anyone in Cumberland County living in that Oxford area who wanted to go to Halifax would not have the choice of going by old Highway 104 or the new twinning. They would have to pay the toll regardless of which way they were going. Similarly, truckers would not have an option, and would have to pay the toll.

• (2130)

That is how ridiculous the situation is in Nova Scotia right now.

It is incorrect to say that the federal funding was spread over ten years. It was, in fact, spread over five years. In 1993, the Minister of Transportation wanted the federal government to provide the money over two years but the federal government decided that it would be spread over five years.

With some negotiation, that situation could have been corrected. Over the years, Nova Scotia has negotiated all kinds of agreements, as have New Brunswick and PEI. Being unsatisfied with the five-year time-frame, perhaps it could have been reduced to four years, with the province paying the interest for the two years before the federal funding is received.

That money could have come from the $84 million that Nova Scotia would have received as compensation for the loss of the maritime freight rate subsidies. I would never advocate that we should use all of that money for one section of highway because that money should be used to benefit the whole province of Nova Scotia. However, certainly, a few million dollars could have been used to look after the interest costs of financing the federal portion until it was payable at the end of the fifth year. Then the highway would have been built, there would have been no need for tolls, and it would have been a truly federal-provincial highway.

As to the Fleur-de-lis Trail, I mentioned to a few people in Nova Scotia, who are on my side of the political fence, that if they were anxious to work on the Fleur-de-lis Trail, the province could fund much of the work over a period of years. The federal and provincial governments could take a small amount out of the federal-provincial tourism agreements to fund the remainder. There is no question that it would be a tourism road.

Everybody in Cape Breton would be happy. Everybody in Cumberland County and Colchester County would be happy. The name of the game is to keep people happy at a minimal cost which, in this case, means funding from the two levels of government.

**Senator Graham:** Why did you not do it when you were premier?

**Senator Buchanan:** I was not in office when the last agreement was signed.

Honourable senators, this problem must be solved. When I was in Cumberland County over the weekend, the chambers of commerce of the area voiced bitter opposition to what has occurred. The municipalities have sent resolutions to the Prime Minister, to the Minister of Transport, to Minister Dingwall and to provincial officials in total opposition to what has happened.

In spite of the fact that the agreement was amended to include highways other than the national highway system, the federal government should be specific about where their money is to be spent. If it is for tourism purposes, fine; if it is for national transportation, fine; but that should be specified. The Fleur-de-lis Trail should be a tourism road, funded partially by federal funds and partially by provincial funds.

On motion of Senator Hébert, debate adjourned.

## FISHERIES

### COMMITTEE AUTHORIZED TO EXTEND DATE FOR FINAL REPORT

**Hon. Eileen Rossiter**, pursuant to notice of May 25, 1995, moved:

> That the Standing Senate Committee on Fisheries which was authorized by the Senate on April 28, 1994, to examine and report upon the Annual Report of the Department of Fisheries and Oceans for the fiscal year ending 31st March, 1991, tabled in the Senate on 23rd March, 1993 (Sessional Paper No. 343-906) and other matters relating to the fishing

industry, respectfully requests that the date of presenting its final report be extended from June 29, 1995 to no later than December 20, 1995.

Motion agreed to.

## TRANSPORT AND COMMUNICATIONS

### COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Leave having been given to revert to Notices of Motions:

**Hon. Donald H. Oliver**, with leave of the Senate and notwithstanding rule 58(1)*(a)*, moved:

That the Standing Senate Committee on Transport and Communications have power to sit at four o'clock in the afternoon tomorrow, Tuesday, June 6, 1994, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Honourable senators, is it your pleasure to adopt the motion?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, we have granted leave, but it is unfortunate that we were not aware of this motion earlier. It is a legitimate request, but I should like to point out that the Special Senate Committee on Euthanasia and Assisted Suicide will table its report tomorrow. While the committee itself will then cease to exist, the committee members will assemble to hold a press conference following release of the report. As a result of their attendance at another committee meeting, some honourable senators will be unable to attend that conference.

Normally, when we grant leave for committees to sit while the Senate is sitting, we give such leave to only one committee at a time. In this particular case, although I understand the situation, I would ask that senators be notified earlier in order that we may better arrange our program.

Having said that, as far as we are concerned, we are quite prepared to support the motion.

**Senator Oliver:** Honourable senators, I will briefly explain the reason for this request. The committee continues its hearings on the government's draft orders giving directives to the CRTC with respect to direct-to-home satellite broadcasting, and tomorrow the committee will be hearing the evidence of Mr. Keith Spicer, chairman of the CRTC.

Unfortunately, due to other commitments, Mr. Spicer is unable to appear before the committee at any other time during the month of June. As a matter of fact, the Committee on Canadian Heritage in the House of Commons is meeting tomorrow morning solely for the purpose of hearing Mr. Spicer. The House committee will be hearing all of its other witnesses only next week.

Mr. Spicer's testimony is essential to the work of the Senate committee, given the comments and criticism of the CRTC by various witnesses who appeared before the committee.

**Senator Stewart:** Must Parliament accommodate Mr. Spicer?

**Senator Oliver:** It is the only day during the entire month when he is available. He is leaving the country.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Tuesday, June 6, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## PAGES EXCHANGE PROGRAM WITH HOUSE OF COMMONS

**The Hon. the Speaker:** Honourable senators, it is my pleasure to introduce two House of Commons Pages who have been selected to participate in the first exchange program of Senate and House of Commons Pages, which will last for the next two weeks.

With us is Meaghan Beaton from Sydney, Nova Scotia. Meaghan is studying journalism at Carleton University. As senators will no doubt discover, Meaghan is proficient in her second language, having been a French immersion student during her last five years of high school.

[*Translation*]

She also studied in Lévis, Quebec, through a student exchange program and took part in immersion camps at the Université Sainte-Anne, in Nova Scotia. Meaghan did volunteer work at the Fortress of Louisbourg National Park.

[*English*]

Also with us is Roger Lebel from Port Elgin, Ontario. Roger has spent the last year studying political science and history at the University of Ottawa. Roger is also fluently bilingual.

[*Translation*]

He participated in a Rotary Club exchange, which led him to live in France for one year and to participate in a youth pilgrimage to Yugoslavia in 1990.

[*English*]

Two of our own Pages from the Senate, Catherine Berger and Carol Ann Taylor, are currently in the House of Commons as part of this exchange.

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# SENATOR'S STATEMENT

## FIREARMS LEGISLATION

COMMENTS OF LIBERAL MEMBER OF PARLIAMENT

**Hon. Ron Ghitter:** Honourable senators, today I would like to read from the *House of Commons Debates* of March 13, 1995. Mr. Réginald Bélair, the honourable member for Cochrane—Superior, stated:

The government is right to introduce legislation containing tougher sanctions against individuals convicted of murder and to step up efforts to deal with the smuggling of firearms. Such measures are necessary if we want to control crime and prevent an increase in the crime rate. We must ensure compliance with existing legislation on the wrongful use of firearms and their proliferation in our society. However, I have serious reservations about some of the points proposed in the bill.

In my riding, being a rural one, almost everyone owns a rifle or a shotgun, yet the incidence of violent crimes involving firearms is practically non-existent. They are responsible and law-abiding citizens including natives, trappers, sustenance and sports hunters, gun club members and gun collectors, who have all proven their ability to own and use a firearm. Stricter gun control will not necessarily result in a decrease in the number of crimes involving firearms in this rural part of Canada. These law-abiding firearm owners should not be burdened or inconvenienced with additional gun control measures that will not reduce crime or improve public safety...

My constituents have been asking all along that the bill be divided into two parts: legislation that directly affects law-abiding gun owners and legislation that affects the criminal use of firearms. They have, as I have, also requested a free vote on the issue. We know that this will not be the case and therein lies my dilemma. I am wrenched between the loyalty to my party and representation of the views of my constituents. It will not be an easy call.

Eighty-five million dollars was forecast by the government to implement the national firearms registration system. The federal government has pegged the number of guns in circulation to be registered at 7.5 million. This number differs by a wide margin with the Ontario Federation of Anglers and Hunters calculations of 15 million as well as with those of the National Firearms Association. That is why the projection is unrealistic while I find the cost still prohibitive...

Countries that have tough firearms legislation have shown an increase in the rate of violent crimes. Countries whose citizens have a healthy cultural life and have very close family ties have the lowest rate of violent crimes committed with firearms, whether such arms are available or not. There is no evidence that more regulations have reduced the number of violent crimes...

I am reserving final judgment on this bill until I am given an opportunity to study the forthcoming amendments. I owe it to the 6,000 constituents who have taken the time to write, to sign petitions, or to verbally express their views on this

controversial issue. Hopefully the speeches heard in this House will serve to enlighten the members on their final vote.

• (1410)

# ROUTINE PROCEEDINGS

## EUTHANASIA AND ASSISTED SUICIDE

### REPORT OF SPECIAL COMMITTEE TABLED

**Hon. Joan Neiman:** Honourable senators, I have the honour to table the final report of the Special Senate Committee on Euthanasia and Assisted Suicide, which deals with the legal, social and ethical questions related to euthanasia and assisted suicide.

I would ask leave of the Senate to make a few remarks in connection with the tabling of this document.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**Senator Neiman:** Honourable senators should have their own copies of this report on their desks very shortly, and I hope that they will take note of the size of it. It is of considerable size, and represents a great deal of work over the past 16 months.

I wish to point out to honourable senators that when this committee was authorized by the Senate 16 months ago, it was originally to be composed of seven members. I can confess to you now that at that time I was not exactly overwhelmed with applications for membership on that committee. I suspect that some senators thought that it might be a time-consuming and arduous task. In fact, it was all of those things.

I wish to commend very highly the work and devotion to duty of all members of this committee. They have been an exceptional group to work with over this past many months. The same may be said, too, of our staff. We have had a wonderful staff. We also had great assistance from our own assistants. Everyone has worked long hours to produce what I hope will be a useful report, not only for the Senate but also for parliamentarians and the public as a whole.

I do not want to take a great deal of your time today, because I am sure, once you have had a chance to look at the report, most of you, whether committee members or not, will probably want to speak to it. However, I want to say at this point that although our intention when we started off was to study the legal, social and ethical aspects of just euthanasia and assisted suicide, we quickly found out that the issues that we had to explore and consider went far beyond those particular questions.

You will find that the report contains a number of chapters on peripheral issues. One of the first, and perhaps most important, is palliative care. That is a subject which was endorsed by almost every witness who came before us, whether they supported changes to the law or opposed them. Everyone felt strongly that we needed more and better palliative care in Canada, and that it should be available to all Canadians.

The report will demonstrate that we do not have the kind of palliative care that we should like to offer to everyone today. That is one of our strong recommendations, namely that more and better palliative care be developed in Canada.

As honourable senators will appreciate, we found that both the criminal law, which we were considering in the context of changes regarding euthanasia and assisted suicide, and the health laws, which were very much a part of our study, are what I would call a divided responsibility between the federal government and the provinces. Although we enact the criminal law, it is the provinces or territories which administer its provisions. With respect to health, the primary jurisdiction rests with the provincial governments but we do have some overlapping powers in general aspects of health.

In this report, all of our recommendations go beyond federal responsibilities in order to deal with the subject adequately. We have phrased them in such a way that, hopefully, the provinces will appreciate that we are trying to get everyone to work together. This is very much a subject that requires the cooperation and input of many levels of government — that is, their institutions, their teaching professions as far as health care is concerned, and the medical profession and other health services.

We had to study the subject of pain control, because pain is something that individuals very much fear. We found again that although it is administered in many areas, the system is still far from adequate. That has given rise to a lot of worry on the part of persons who are considering the prospect of their loved ones or even themselves facing intractable problems of pain in the future.

We also dealt with some of the medical practices that are considered acceptable today in many areas, such as the withdrawing and withholding of treatment. However, once again there are grey areas that need to be clarified by way of government action, and with the input of the medical profession and other health care professions.

When it came to the crux of this matter, and of the study of the subject-matter of assisted suicide and euthanasia, as you may have heard, there was no consensus or unanimity on any of the points. However, we concluded that the greatest service we could give to the Senate, and to the people who would be considering and debating this subject, would be to lay out as clearly as possible the arguments of those who opposed changes in the law, and of those who supported such changes. You will find them all contained in our report. I hope that such arguments will give you some indication of why this debate must continue, because the issues are so complex.

There are many things that need to be resolved, but with the cooperation of different levels of government and of the medical profession, there is a way to solve a great number of them.

In the end, we found that certain people said that palliative care and other methods of pain relief would not be sufficient for them. Therefore, there will always be a certain number of people in society who are dying, or terminally ill, or have painful chronic diseases, for which those practices will not be the answer.

The question is open. The challenge has now been made for everyone to study the report. I hope that you will peruse it. This report contains a great deal of information and data, particularly in the appendices which form part of the report. That information will help us all as we consider these problems in the future.

[*Translation*]

**Hon. Thérèse Lavoie-Roux:** Honourable senators, I would like to take a few minutes to join Senator Neiman in thanking the entire team that helped us in our work during the past 16 months and was very patient with us. I think they can handle whatever comes their way, after working with the committee during all this time.

From the outset, we became aware of the very complex issues connected with euthanasia and assisted suicide. We had to consider so many aspects of life and death; life as a fundamental value of society; autonomy as a personal value; suffering, as a reality generally associated with dying; and the interdependency of the patient with the family, the social environment and the health care team. We reached unanimous conclusions on a number of points but in other cases, as Senator Neiman pointed out earlier, the answers were not as obvious.

I simply want to add a word of thanks to all the witnesses who appeared before the committee. Without their testimony and their well-prepared briefs, we would have been unable to produce this report today. They inspired us to think a great deal and to refine our positions. I think we could say that the members of the special committee and the public — everyone likes to refer to the public nowadays, you can see that in Quebec — produced this report together. Had they not presented us with such well-prepared briefs, once again, we would have been unable today to table a report, which I think is fairly comprehensive, albeit incomplete in certain regards. We will have an opportunity to come back to it.

I would also like to thank my colleagues on both sides of the house for their considerable perseverance and their help in preparing this report. Their contributions were significant, whether, in the case of Senator Beaudoin, to legal matters, or, in the case of Senator Keon, to more medical matters. I would add that Senator Corbin was the watchful custodian of palliative care. He made a very direct contribution by writing, to all intents and purposes, the section on palliative care.

I would also like to mention Senator Carstairs, who showed herself to be a professor emeritus. Apparently, her previous career was in teaching. She helped us not only with analyzing matters, but with pulling them together in an English that was clearly better than mine.

I would also mention Senator DeWare, who remained with us almost to the end as well and whose contribution was highly appreciated. Together with Senator Corbin — perhaps more so Senator DeWare, because she lives there all year long — she represented the point of view of the Maritimes, where we unfortunately did not visit. Nevertheless, some witnesses from the Maritimes came here.

Finally, I would like to thank the committee chairman, Senator Neiman. We did not always agree, but I think we eventually found a middle ground so that this report is really the fruit of the labours of the seven senators who sat on the committee.

The seven senators who sat on this committee worked very hard. I will long remember this working committee whose work, I hope, will lead to something concrete that better serves people who are dealing with the very thorny problem of the end of life.

[*English*]

**The Hon. the Speaker:** When shall this report be taken into consideration?

On motion of Senator Neiman, report placed on Orders of the Day for consideration at the next sitting of the Senate.

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, June 7, 1995, at one-thirty o'clock in the afternoon.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

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# QUESTION PERIOD

## NORTH AMERICAN FREE TRADE AGREEMENT

### INCLUSION OF CHILE—INFLUENCE ON EXISTING AGREEMENT—GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, tomorrow in Toronto, representatives from Canada, Chile, Mexico and the United States will begin talks aimed at bringing Chile into the NAFTA.

Can the Leader of the Government tell us whether these discussions include the reopening of the agreement, or will they be limited to the question of Chile's membership in the NAFTA in its present form?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will get a more detailed answer from my colleagues. However, my honourable friend knows that the entrance of Chile into the NAFTA group was initiated by the Canadian government.

**Senator Carney:** The Conservative government.

**Senator Fairbairn:** By both governments. This initiative has been strongly followed by the Minister of International Trade and the Prime Minister in their discussions over recent months and, indeed, during the Prime Minister's trip to South America.

**Senator Lynch-Staunton:** Honourable senators, I was not asking about the government reluctantly taking credit for the NAFTA, given that, not too long ago, they threatened to tear up that agreement. However, if their conversion is so complete and unrepentant, so be it.

**An Hon. Senator:** Is that a question?

**Senator Lynch-Staunton:** It is a comment on a non-answer. My question is based on the fact that Canadian investments in Chile total some $2 billion, and another $3 billion have been committed over the next few years. It is important that Canada's investments in Chile be well protected.

Can the minister assure us that, should the NAFTA be reopened, the government will not agree to any changes in those clauses which protect foreign investments from unfair expropriation, discrimination and confiscation of profits and capital?

**Senator Fairbairn:** I will certainly pass those questions to my colleagues on behalf of the Leader of the Opposition, even though he may consider the responses to be non-answers. The issues he has raised are important. Overarching those issues are the discussions which will lead to and prepare for the entrance of Chile into the NAFTA family.

**Senator Lynch-Staunton:** The government is entering into negotiations with two partners of NAFTA to discuss the possibility of Chile's acceptance of the agreement as such. The question is very simple: Will the discussions include the reopening of NAFTA? Surely the government has a position on this matter.

In the United States, some Republican Congressmen are attempting to reopen NAFTA in order to make a compromise with President Clinton, should he want to fast-track the entrance of Chile. The question is: Would Canada go along with the reopening of NAFTA?

That is not a question which need be asked of colleagues, since surely the cabinet must have taken a decision on this fundamental point. Will Chile's acceptance into NAFTA be under that agreement as it presently stands, or will the discussions with Chile include the reopening of that agreement?

• (1430)

**Senator Fairbairn:** Honourable senators, I repeat, I will seek the details from my colleagues who are part of these ongoing discussions. I wish to be precise in my answer.

**Senator Lynch-Staunton:** Honourable senators, I should like to conclude. Obviously, answers in this place are becoming harder and harder to get.

There are presently provisions in NAFTA to avoid unfair expropriation, discrimination and actions taken by one government against nationals of another country which would lead to the loss of capital and profits. Canada has agreed to those provisions. I hope that, during the negotiations, Canada will continue to persist that these clauses remain to protect our investments in Chile. Is that or is it not the government's position?

**Senator Fairbairn:** Honourable senators, again, I will seek the precise information that the honourable senator seeks from the Minister for International Trade.

## FOREIGN AFFAIRS

### REMARKS OF SENATOR STOLLERY ON MEXICO— POSSIBILITY OF CANADA'S WITHDRAWAL FROM NAFTA— REQUEST FOR ANSWER

**Hon. Lowell Murray:** Honourable senators, will the minister say when she or someone on her behalf and on behalf of the government will be taking part in the inquiry initiated by Senator Stollery and replying specifically to Senator Stollery's speech, in which he recommended that Canada withdraw immediately from NAFTA? At the same time, would she or the Deputy Leader of the Government see what has happened to the question I asked some time ago as to whether we have received any protest from the Mexican embassy, whose members were characterized by Senator Stollery as belonging to a Mafia mob?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I think the Prime Minister has made it clear that Canada is an active partner in NAFTA.

Senator Stollery is a very experienced member of this house. He has made a presentation to this chamber which is based on his views. His views are as important as the views of any other individual senator in this house.

In response to the precise question my friend has asked, I will certainly work with Senator Graham to see if I can get a precise answer to his question.

**Senator Murray:** I take it from the answer given by the Leader of the Government that the government repudiates the analysis and the recommendation made by Senator Stollery concerning NAFTA?

**Senator Fairbairn:** That was not the answer that I gave my honourable friend. The answer I gave my honourable friend is that Canada is an active participant and an important partner in the NAFTA agreement.

## ABORIGINAL PEOPLES

### CO-MANAGEMENT AGREEMENTS IN SASKATCHEWAN— REQUEST FOR PARTICULARS

**Hon. David Tkachuk:** Honourable senators, my question concerns the co-management agreements with aboriginal peoples that the Liberal Party scripted into the Red Book during the last election campaign. My understanding is that the government is proceeding with a number of so-called management agreements in the Province of Saskatchewan with the Montreal Lake Band, the Keeseekoose Band and a number of other bands. I should like to know the Liberal government's definition of the term "co-management agreements". When the government talks about co-management agreements with aboriginal people, exactly what is meant?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to obtain a response from my colleague Mr. Irwin. As my friend knows, the minister has been travelling extensively across this country discussing with native bands improvements, arrangements and the broader question of self-government, which is of great interest to my friend. As to the particular discussions he has had in Saskatchewan, I would be pleased to follow them up and get an explanation pertaining to the agreements mentioned by my friend.

**Senator Tkachuk:** Honourable senators, I am not asking about something that the bands in Saskatchewan have talked to me about. This is something on which Minister Irwin has initiated negotiations. The Liberal Party talked about co-management agreements in their Red Book.

The negotiations to which I refer began about a year ago in Saskatchewan. A number of questions have been asked in the other place about this issue. I want to know the actual meaning of "co-management agreement" as defined by the Liberal government. I also want to know what they are intending to do in regard to these agreements.

This matter has nothing to do with self-government on the reserve. This involves other territories outside the reserve which they want to manage with other governments. I want to know what powers are being given to these management groups and exactly what the Liberal government is intending to do in so many square miles of Saskatchewan.

Are there any other provinces in which the government is trying to do the same thing, or is it just isolated to Saskatchewan?

**Senator Fairbairn:** I will be pleased to obtain a response for Senator Tkachuk.

## EXPO 2005

ANNOUNCEMENT OF DECISION ON HOST CITY—
GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, I rise on a matter that I have raised before in this chamber. It stems from a growing anger in my city and my province relative to the inactivity of the federal government in deciding the location for Expo 2005.

It has been estimated that in the city of Calgary alone some $400,000 in volunteer time has been spent working toward the presentation of the material, always under the understanding that whoever won the evaluator's support would receive the benefit of their labours by having their city chosen as the home of the Expo site.

The mayor of the city of Calgary, the premier of Alberta and others are stepping forward expressing their displeasure by the inaction of the federal government to make the decision. Once again, for probably the fifth time in this chamber, I rise to ask the same simple question: When will the decision regarding the selection of Calgary for the Expo site be announced?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I cannot give my friend a one-word answer, other than to say I hope it will be soon.

**Senator Ghitter:** That is the same answer I got last time.

[*Translation*]

## THE CABINET

LIBERAL ELECTION PROMISES ON REDUCTION IN SIZE—
GOVERNMENT POSITION

**Hon. Jean-Maurice Simard:** Honourable senators, upon my return a few months ago to this house after an absence of several months for health reasons, I had intended to wait until the fall before raising my first question.

Undoubtedly, the prayers and encouragements from the senators from both sides of this house helped me out! It is my good fortune to be 90 per cent recovered, and I give you all my thanks.

**Hon. Senators:** Hear, hear!

**Senator Simard:** This having been said, my return to health had nothing to do with the health of the Conservative Party in Ontario!

Since the sessions of this house are not televised, and contrary to the Liberal members of Parliament who are trying to make a campaign headquarters out of the House of Commons — as witnessed this week — in an attempt to influence the results of the elections, which will give us the definitive answers this Thursday, I will now my first question.

It concerns the Liberal Party's Red Book, which states something like the following: the Liberal government would be much leaner —

[*English*]

The Prime Minister promised that he would start with a leaner cabinet. There are still 33 cabinet ministers, if we include nine secretaries of state, a position which Prime Minister Campbell abolished. That is equivalent to 1.5 more cabinet ministers than when the Liberals took over in 1993.

The Prime Minister announced on November 4, 1993, at the time of his swearing in, that legislation would be brought forward in the new Parliament to formally establish this new category within the ministry. A year and a half has passed. Could the Leader of the Government in the Senate say when the government expects to bring forward such legislation? Canadians suspect that a cabinet shuffle is imminent. No doubt the Prime Minister will be talking and thinking about this legislation.

• (1440)

Second, will the government admit that the cabinet, with the inclusion of the secretaries of state, is composed of 33 ministers, making this the largest government since 1993, and thereby breaking another promise contained in the Red Book? No wonder Mrs. McLeod is having a problem with her Red Book.

**Hon. Joyce Fairbairn (Leader of the Government):** First of all, let me say to my honourable colleague that I have missed his questions. I am glad that he is now back on his feet and asking them, and I must tell him that all senators in this house rejoice in the hearty condition which he has happily achieved in the last several months.

**Hon. Senators:** Hear, hear!

**Senator Fairbairn:** The question was: Would I admit to this being the largest cabinet? The answer is no. The Prime Minister and others, I am sure, will produce appropriate legislation, and I hope that that legislation gets to us more speedily than it has in past months.

## TRANSPORT

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—FREEZING OF FUNDS TO AWAIT OUTCOME OF INQUIRY OF AUDITOR GENERAL—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, my question is to the Leader of the Government in the Senate on the diversion of the $26 million in funds from the so-called "Death Valley" stretch of highway in Nova Scotia.

In light of the Auditor General's revelations earlier today that indeed an inquiry is now under way into the appropriateness and propriety of this move, could the Leader of the Government in the Senate ascertain whether or not the Prime Minister has asked that the funds be frozen and not diverted until such time as Mr. Desautels has, in fact, reported?

This inquiry has an important implication with respect to tollboothing the Trans-Canada Highway from St. John's to Campbell River. Would the leader ascertain from the Prime Minister whether or not he might ask the Minister of Transport and other appropriate government ministers to make sure that that does not happen until we know the parameters of the Auditor General's report, and until such time as a national policy has been developed and put on the table so that we might all discuss it? If the Leader of the Government could find out those two things for me, I will probably leave her alone until the fall.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to put those questions forward. The matter is at the moment under review by the Auditor General, who will report issues of major concern to Parliament.

## NATIONAL DEFENCE

### PEACE-KEEPING IN FORMER YUGOSLAVIA—WITHDRAWAL OF TROOPS—GOVERNMENT POLICY

**Hon. John Sylvain:** My question is one of clarification concerning Canada's peace-keeping policy in the former Yugoslavia. A year ago, while touring the region, Prime Minister Chrétien stated quite categorically that "We must have a quite clear indication that there is a will toward peace" before Canadian troops are brought home. That was a year ago. In the past year, unfortunately, we have witnessed many developments in the former Yugoslavia. It is difficult to say that a will toward peace can be listed among them.

In response to the most recent situation, the Prime Minister indicated that Canadian troops would remain in place because they are making sure that medication and food gets to the population.

My question to the Leader of the Government is this: What is the current policy governing our peace-keeping activities in the former Yugoslavia? Is it still the "will to peace" doctrine as espoused a year ago by the Prime Minister, or is it now the delivery of humanitarian aid, irrespective of the future prospects for a peaceful conclusion to hostilities?

**Hon. Joyce Fairbairn (Leader of the Government):** The government is very pleased that some of our Canadian peace-keepers were released in recent days, and is very hopeful that the remainder will be released quickly.

With respect to the continuing Canadian presence in the former Yugoslavia, as the Prime Minister has stated, despite the dreadful situation in that part of the world, the United Nations force there has continued to provide protection and humanitarian services, as it has attempted to do throughout its mission, often in areas which are not, and do not become, newsworthy.

A number of discussions are on-going among the ministers of the countries which are involved in that area and the United Nations as to what the immediate future of that participation should be. Canada is very much a part of those discussions, and it is premature at this point to see exactly how the new role that is being suggested for the force in the former Yugoslavia will be worked out, and exactly what our participation will be.

At the moment, the Prime Minister has indicated clearly that we are continuing to serve in that area, along with the other countries who are part of UNPROFOR, and we are doing so, as always, to the very best of our ability.

**Senator Sylvain:** I presume that means the necessity for having a clear indication that there will be peace before our troops will come out is no longer operative?

**Senator Fairbairn:** I am a little confused by my friend's question. Obviously there have been discussions as to various possibilities, should the time come when a withdrawal would take effect or be the policy. However, it is not now the policy. At whatever stage of these types of operations, Canada will certainly play its part.

[*Translation*]

## NORTH AMERICAN FREE TRADE AGREEMENT

### EXTENSION OF AGREEMENT TO INCLUDE CHILE—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, my question to the Leader of the Government will be short and sweet. Why does her government support Chile's admission to NAFTA?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** The Canadian government is strongly of the view that to advance

trade and the cooperation of countries, not just in North and South America but in Europe and Asia as well, the North American Free Trade Agreement is absolutely fundamental to the economic stability and prosperity of Canada and of our partners.

Chile is one of the countries in the South American hemisphere that is most enthusiastic, and in a position to take part in this particular trading alliance. This type of initiative deserves serious consideration, as do the other discussions and proposals that are being put forward in a variety of ways in other parts of the world on freedom of trade.

• (1450)

[*Translation*]

**Senator Nolin:** Honourable senators, I shall use the same tactic. I assume that the government supports Canadian investments abroad, including in Chile. What kind of protection system do you suggest Canadian businesses investing in Chile, for when Chile is a member of this North American economic space?

[*English*]

**Senator Fairbairn:** Honourable senators, as I indicated to Senator Lynch-Staunton, I will seek further information and direction on this issue from the Minister of International Trade, who is deeply involved in these discussions.

In answer to the earlier point raised by the honourable senator, yes, the Canadian government is actively supportive of cooperating with businesses in Canada to seek the best and widest opportunities abroad for our companies. Indeed, there are agreements now in place with various provinces, Ontario is one. A few weeks ago the Province of Alberta signed an agreement with the federal government to enhance business trading relations.

## PUBLIC WORKS

### DIVERSION OF FUNDS FROM DESIGNATED NOVA SCOTIA HIGHWAY PROJECT—ABUSE OF PRIVILEGE BY MINISTER—GOVERNMENT POSITION

**Hon. Gérald J. Comeau:** Honourable senators, my question concerns the abuse of power by the Minister of Public Works in diverting funding from Highway 104 to a tourism trail in his riding. The Auditor General has recognized the need for an in-depth examination of the circumstances surrounding the decision to divert money from a program intended for work on our national highway system to a tourist trail in Cape Breton. Since the investigation into this controversy involving Mr. Dingwall has now begun, can the Leader of the Government inform us whether her colleague, the Minister of Public Works, will act honourably, decently and appropriately and resign?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will not respond to the latter part of the question, other than to say that the minister is vigorously carrying out his responsibilities in the cabinet.

As colleagues have noted, the Auditor General of Canada is responding to concerns expressed by the Auditor General of Nova Scotia, and will review the situation and report in the manner of his choice.

## GOVERNMENT SERVICES

### REFUSAL OF AIRLINES TO NEGOTIATE DISCOUNTS WITH GOVERNMENT OF CANADA

**Hon. Richard J. Doyle:** Honourable senators, my question is for the Leader of the Government in the Senate, who, by the way, I must thank for the answer yesterday to an earlier question having to do with the cost of the new East Block tunnel of blessed memory. The amount spent was $303,300 and cancellation costs are still to be received. We will need to fire at least nine and a half barbers to pay for that. However, I must not digress.

My question has to do with a house affairs subcommittee report tabled last month in the other place. The nub of that report reveals that Air Canada and Canadian Airlines have once again refused to negotiate discounts with their biggest customer, the Government of Canada.

Considering the fact that no alternative air services are available on many of the routes used by government customers, is there a likelihood that the Bureau of Competition Policy in Industry Canada will take a closer look at a situation in which the Government of Canada very often seems to be the only customer banned from seat sales?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, that is a very serious question, particularly to those of us who travel great distances back and forth across the country and know the costs involved. I will be pleased to pass it on for a response.

## DELAYED ANSWER TO ORAL QUESTION

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on May 2, 1995, by the Honourable Senator Forrestall regarding funds for the Wentworth Valley Highway Project.

## TRANSPORT

### NOVA SCOTIA—FUNDS FOR WENTWORTH VALLEY HIGHWAY PROJECT—GOVERNMENT POSITION

(*Response to a question by Hon. J. Michael Forrestall on May 2, 1995*)

Highways are a provincial responsibility. Provincial governments establish their priorities for highway expansion and upgrading regardless of any federal contribution of funds. Consistent with this principle, the reallocation of funds from the Wentworth Valley project was undertaken at the initiative of the Province of Nova Scotia.

When multi-year federal-provincial highway programs are developed, there is usually a tentative list of projects

referenced in the resulting agreement. For many reasons, this project list often changes over the life of the agreement. It is difficult to forecast what may happen as an individual project matures. There may be delays due to design problems, completion of environmental assessments, changes in provincial priorities and/or changes in cost.

The project list that was attached to the Nova Scotia Strategic Highway Improvement Program (SHIP) Agreement was developed, on an urgent basis, in early 1993 as part of an initiative to provide an immediate stimulus to the economy to spur economic growth and job creation. In 1994, the Province of Nova Scotia requested a change to the SHIP Agreement. This change reallocated some funds from a portion of the Hwy 104 project, that was not yet ready to start, to the Fleur-de-lis Trail. Even so, by 1998, when the two existing highway programs currently underway in Nova Scotia have ended, there will have been approximately $215 million spent on Hwy 104 from a total $337 million available.

The Province of Nova Scotia is not unique in exploring the concept of tolls as a means to fund highway upgrades. Several provinces are actively investigating the option of private-public partnerships as one means of advancing highway projects in the present economic environment. Ontario is constructing Hwy 407 in Toronto as a toll facility with private partners. British Columbia has had the Coquihalla Highway open as a toll road for several years (although no private money is involved) and is considering the replacement of the Lions Gate Bridge, in the Vancouver area, with the participation of private partners. Likewise, the fixed link to Prince Edward Island is an example of the federal government forming a partnership with the private sector to accomplish infrastructure goals. While it is not necessarily the most preferred option, private-public partnerships may, in some cases, be the quickest way to upgrade certain sections of the National Highway System. Also, given current fiscal pressures, most provincial governments can be expected to give serious consideration to this approach.

Additionally, the Province of Nova Scotia has available $86 million of the $326 million which the federal government is providing to offset the elimination of transportation subsidies under the Maritime Freight Assistance Act and Atlantic Region Freight Assistance Act. These funds are available on a matching dollar basis for shipper transition assistance or highway investment at the discretion of the province. Were the Province of Nova Scotia to choose to dedicate all these funds to highways, it would result in a $172 million program.

## ANSWER TO ORDER PAPER QUESTION TABLED

HEALTH CANADA—SAVINGS IN 1995 BUDGET PLAN

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 90 on the Order Paper—by Senator Tkachuk.

# ORDERS OF THE DAY

## TRANSPORT AND COMMUNICATIONS

COMMITTEE AUTHORIZED TO EXTEND DATE FOR FINAL REPORT

**Hon. Donald H. Oliver,** pursuant to notice of Monday, June 5, 1995, moved:

That notwithstanding the Order of the Senate adopted on October 26, 1994, the Standing Senate Committee on Transport and Communications, which was authorized to continue its special study on the report of the National Transportation Act Review Commission, entitled Competition in Transportation, Policy and Legislation in Review, tabled in the Senate on March 23, 1993 (Sessional Paper No. 343-912), and other matters relating to transportation, be empowered to present its report no later than December 31, 1995.

Motion agreed to.

The Senate adjourned until tomorrow Wednesday, June 7, 1995 at 1:30 p.m.

# THE SENATE

**Wednesday, June 7, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### EUTHANASIA AND ASSISTED SUICIDE

SPECIAL COMMITTEE—FELICITATIONS TO MEMBERS ON TABLING OF REPORT

**Hon. Philippe Deane Gigantès:** Honourable senators, I read with admiration the report of the Special Senate Committee on Euthanasia and Assisted Suicide. I listened to the various interviews of our colleagues who are members of the committee. I think they did "great good" for the Senate. They honoured all of us by their wisdom and their eloquence. I wish to thank them.

[*Translation*]

### YOUTH, EDUCATION AND EMPLOYMENT

**Hon. Rose-Marie Losier-Cool:** Honourable senators, on April 22, 1895, the first Acadian senator, the Honourable Joseph Octave Arsenault, of Prince Edward Island, gave his maiden speech in the Senate. One hundred years later, on June 7, 1995, as the first Acadian woman appointed to the Senate, I have the honour to address the Upper House.

Honourable senators, during the months of May and June, it is graduation time for many secondary and post-secondary students, for thousands of young Canadians who recognize the importance of education.

In 1992, there were 260,500 graduates of secondary schools in Canada. About 22 per cent of these students went on to post-secondary studies in order to graduate from one of the 278 universities or other institutions of the country. Close to 9.2 million Canadians have undertaken post-secondary studies. Nearly 65 per cent of these Canadians have received a certificate, a diploma or a degree from a post-secondary institution.

[*English*]

This year the number of university students in Canada was as high as 581,000, an increase in enrolment of almost 8,000 compared to last year. Furthermore, a growing number of Canadians continue their education in a collegial institution. Students who register in such an institution represent 38 per cent of all full-time post-secondary enrolment. More students also registered for professional training programs. They constitute 69 per cent of post-secondary students studying in an establishment other than a university. In fact, 8.1 per cent of young Canadians between the ages of 18 to 21 attend an institution other than university.

[*Translation*]

In 1995, 389,000 students were enrolled in a community college. Enrolment in job training programs offered by colleges has almost doubled. During this 20-year period, colleges have awarded more than 1.4 million diplomas.

Honourable senators, many of these highly educated graduates are now entering the labour market. Are we ready to make room for them? Do they have a chance of finding a job in their field? The present situation seems to indicate a strong demand for specialized labour, particularly in the high technology and informatics fields.

In a speech delivered on April 25 of this year, the Honourable David Dingwall, Minister of Public Works and Government Services, said that young Canadians are more and more concerned about their future. Employment opportunities are scarce, and the government must help these young people find their place in the labour market. The federal government is counting on post-secondary education to achieve this goal.

Honourable senators, for several years, the federal government has given support, including financial support, to post-secondary institutions through various departments and agencies.

On average, tuition fees paid by Canadian students more than doubled between 1981 and 1991, but, during the same period, enrolment in university programs in Canada increased by 38 per cent. By offering scholarships, loans and grants, the federal government gives many young Canadians the opportunity to continue their education.

[*English*]

• (1340)

In 1994, the total federal financial assistance to post-secondary education amounted to $8 billion, 50 per cent of the total cost. Provincial governments contributed more than $8 billion. There has been a 59 per cent increase in the number of students receiving aid from the Canada Student Loans Program.

[*Translation*]

There are also federal programs which aim to help young people assume responsibility for their future. For example, most large Canadian cities have student employment centres. Other programs coordinate projects which give them work experience and offer them maximum personal development. For example, Canada's youth program offers young people an access to the job market.

**The Hon. the Speaker:** Honourable Senator Losier-Cool, I regret to interrupt you, but the length of senator's statements must not exceed three minutes.

Is leave granted, honourable senators, to allow Senator Losier-Cool to continue?

**Hon. Senators:** Agreed.

**Senator Losier-Cool:** Increased competitiveness and the realization that education is increasingly becoming the key to obtaining work have made governments treat education as a priority. All existing assistance programs try to make post-secondary education and the job market more accessible, with the goal of training a more efficient and specialized workforce.

[*English*]

According to the Honourable David Dingwall, one of the most fundamental failures of public powers would be their incapacity to find employment for all those who are apt, healthy and willing to work.

Honourable senators, by putting the accent on better education and training, and by creating jobs for young Canadians, we enhance their optimism. That is the key to getting our economy back on track. By becoming more optimistic, young Canadians will be less likely to depend on government assistance.

[*Translation*]

Dropping out of high school has serious repercussions. A greater number of drop-outs than graduates are unemployed. They are more dependent on the social security net.

We could reform the school system to include more specialized programs and more productive training, to better prepare young people for the job market.

[*English*]

## FIREARMS LEGISLATION

COMMENTS OF LIBERAL MEMBER OF PARLIAMENT

**Hon. Ron Ghitter:** Honourable senators, in order to show balance in my approach relative to Bill C-68, I wish to quote today from the *House of Commons Debates* of February 27, 1995, a speech of Mrs. Carolyn Parrish, Member of Parliament for Mississauga West, who speaks in favour of the bill on the following basis:

> For many years Canadians have watched in horror the increasing use of handguns, assault weapons and rifles in the commission of crimes. In recent years our North American society has become increasingly immune to daily doses of violence, death and injury. Television newscasts and videos feed Canadian viewers a steady stream of carnage. Some of us are shocked; many have become numb as we grow accustomed to the daily onslaught....
>
> Thirty years ago a domestic dispute in the city of Toronto would rarely if ever involve a handgun. Now police approach every situation as potentially lethal. Thirty years ago police officers did not need SWAT teams, bullet-proof vests or increasingly powerful service revolvers against suspects who are routinely better equipped with the latest weaponry. Just this past week Metro Toronto police received permission to carry shotguns inside their cruisers instead of in the trunks of their cars.
>
> There is no doubt whatsoever that our society is becoming more violent than Canadians will tolerate. But how are we different from our friends to the south? What makes us want to take charge of this situation and return order to Canadian streets?
>
> ...From across Canada, this government and every member of this House has heard the message: Get the guns off the streets....
>
> Three million Canadians own seven million firearms, 1.2 million in the restricted category. Vast numbers of illegal, smuggled and unregistered guns add to this arsenal. Between 1974 and 1993, 65,000 firearms were reported missing, lost or stolen, and have never been recovered....
>
> A highly efficient computerized system will distinguish legal from illegal firearms and will track them. Police officers when approaching a reported domestic dispute will know if there are weapons in the house. Responsible safe storage by registered gun owners will become a necessity.
>
> Will violent crime cease immediately? No one is foolish enough to believe that. Criminals will not register their firearms or produce a licence to purchase ammunition. But the underground market fed to a great extent by smuggled and stolen firearms will begin to dry up....
>
> Registration should not pose any threat to legitimate, responsible gun owners. In fact, they should welcome it. Only the most paranoid of individuals have expressed the fear that big brother is watching.
>
> In reality, orderly registration will deter theft and smuggling and will assist police. Ultimately, registration will bring the responsible gun owner into a partnership with the enforcement agencies. It will be a partnership based on trust, competence, access to information and accountability.

[*Translation*]

# ROUTINE PROCEEDINGS

## THE ESTIMATES, 1995-96

VOTE 25—REPORT OF STANDING JOINT COMMITTEE ON OFFICIAL LANGUAGES PRESENTED

**Hon. Gerald J. Comeau:** Honourable senators, I have the honour to present the second report of the Standing Joint

Committee on Official Languages on Privy Council Vote 25 in the 1995-96 Estimates.

Wednesday, June 7, 1995

The Standing Joint Committee on Official Languages has the honour to present its

SECOND REPORT

Pursuant to the order of reference of March 16, 1995, your committee, to which Privy Council Vote 25 in the 1995-96 Estimates was referred, has studied the said vote and now reports on it.

Respectfully submitted,

GERALD J. COMEAU
*Co-Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Comeau, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

[*English*]

## BUDGET IMPLEMENTATION BILL, 1995

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-76, to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

## CANADIAN HUMAN RIGHTS ACT

OPPOSITION TO AMENDMENT—PRESENTATION OF PETITION

**Hon. Leonard J. Gustafson:** Honourable senators, I have a petition addressed to the Honourable the Senate of Canada, which states:

WE, THE UNDERSIGNED CITIZENS OF CANADA, draw the attention of the Senate to the following:

WHEREAS a majority of Canadians believe that the privileges which Society accords to heterosexual couples should not be extended to same-sex relationships;

AND WHEREAS societal approval, including the extension of societal privileges, would be given to same-sex relationships if any amendment to the Canadian Human Rights Act were to include the undefined term "sexual orientation" as a grounds of discrimination;

THEREFORE, your petitioners pray and request that Parliament not amend the Human Rights Code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same-sex relationships or of homosexuality, including amending the Human Rights Code to include in the prohibited grounds of discrimination, the undefined phrase "sexual orientation".

The petition is signed by over 400 citizens in Saskatchewan.

• (1350)

# QUESTION PERIOD

## NATIONAL DEFENCE

COMPENSATION FOR CANCELLED EH-101 CONTRACTS—REQUEST FOR PARTICULARS

**Hon. J. Michael Forrestall:** Honourable senators, my question arises from a delayed response to a question I asked earlier. That question had to do with the cancellation of the helicopter program and the award of compensation to UNISYS.

In response to my question, asked on April 4, regarding the status of these compensation claims, the government indicated that the $166 million awarded to UNISYS for cancelling the contract the company had been given to install computer systems in the new helicopters did not include a payout of $98 million. The reason is, according to the government, that the $98 million was for work already completed and paid for prior to the cancellation.

The question is this: Would the leader provide honourable senators with a complete list of the work that had been produced prior to cancellation of the contracts?

I am sure that Canadians would like to know what happened to the $98 million. As well, given that the government has already indicated that $98 million has been paid to UNISYS for work completed, I should like to have the government leader confirm that the $98 million and any other costs in this same category will be added to the total cost of the new helicopters. This will ensure that there are no artificial barriers to understanding what this new equipment will cost the taxpayers.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am glad to see Senator Forrestall has not missed a beat in going from one issue back to another one of great interest to him. I shall do my best to get that information for him.

## THE ECONOMY

UNACCEPTABLE LEVEL OF UNEMPLOYMENT—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, my question is to the Leader of the Government in the Senate. Senator Losier-Cool delivered during Senators' Statements a fine first message in this house. In that spirit, I have a question in regard to job creation.

According to recent reports, we have had very little improvement in the employment situation, particularly in Ontario and Quebec. The only increases in jobs have been in my province of British Columbia, and in Alberta, because of the leadership of Ralph Klein, lower taxes and a better atmosphere in government for business. The only reason for an increase in jobs in B.C. is because of immigration.

Canada now has the highest level of exports to the U.S.A. due to the free trade agreement. This government is now a supporter of free trade and NAFTA. Given that the minister responsible for the further negotiations of NAFTA has talked about job creation as a result of the possible entrance of Chile, and that the government is now a strong proponent of the GST, my question is: With a recession and a possible downturn in the economy on the horizon, does the government find the lack of improvement in the level of employment in this country to be acceptable at this time?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, for reasons of time, I will not repeat all the elements of the preamble that my honourable friend offered, other than to say that he and I disagree on just about every one of them.

Employment in Canada has not improved enough, not by a long shot. It has improved over the last 18 months for a variety of reasons associated with the economy, and the strength of the fundamentals of our economy. Given the strength of growth in the economy last year in Canada, it was almost predictable that such growth could not be sustained at those high levels.

One of the major areas of concern in the economy has been unemployment. Other statistics have improved over recent months, but that particular issue, which is a hold-over from the recession, has been very hard to budge. The government takes no comfort in the statistics. Obviously, no one in this house does either. Statistically the numbers have gone down. However, the number of individuals seeking jobs in this country is far too high and not acceptable to any of us.

I would not concur with my honourable friend that the Canadian economy is going into a recession. The IMF and the OECD recently indicated that Canada will have the strongest growth rate in the year ahead.

**Senator Berntson:** They are anticipating a Mike Harris victory.

**Senator Fairbairn:** The strength of the Canadian economy has been proven in the last year and a half. It has certainly slowed in the first quarter of this year, but, nonetheless, in relative terms it is still fundamentally strong. It remains the intention of this government to meet the challenge and to focus strongly on the issue of jobs and job creation, in partnership with the private sector.

Also, this issue is near the top of the agenda of the discussions between the G-7 countries which begin next week in Halifax.

FAILURE OF INFRASTRUCTURE PROGRAM TO CREATE JOBS—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, I have a supplementary question. I have listened carefully to what the cabinet minister has said. However, the question of the strength of the Canadian economy is based on influences of the last ten years and the control of inflation, as has been aptly pointed out by others.

The downturn in the U.S. economy, where a major portion of our exports go, is a major concern. Consumer confidence is down again this month in this country. I do not take any enjoyment from raising this issue either. I should like to see unemployment at 4 or 5 per cent as opposed to the 9.5 per cent that we are looking at.

During the election campaign, the Prime Minister waved his little Red Book, and spoke of the infrastructure program and said that the big trucks driving around in the streets would create activity. Ralph Klein has clearly shown by example that less intrusion by government in the entire process creates confidence and generates investment in the province. We could probably take that as a good example for our job creation strategy. Since this is the home province of the minister, she knows how well this is working.

• (1400)

It seems to me that the infrastructure program was an election ploy, and another promise broken. Warren Allmand pointed out adeptly this morning on television that the Liberals are not living by the Red Book. They have obviously found some other book to live by, and they are flying by the seat of their pants, as an honourable senator has suggested.

**Hon. Joyce Fairbairn (Leader of the Government):** As interesting as Senator St. Germain's preambles always are, I again would take strong issue with him.

The infrastructure program has proved to be a great success all across this country. Since the honourable senator chose to refer to the Province of Alberta, let me point out that there is no place in this country where the infrastructure program has worked more cooperatively, more smoothly, and more beneficially for citizens of that province, whether they be in the largest cities or the smallest villages, than it has in Alberta. I believe that our colleagues in the Alberta government would agree with me. I would also remind my honourable friend that there have been great upheavals and increased activity in that province, to which there have been adverse side effects.

With respect to the infrastructure program and the government's determination to continue to maintain jobs as the fundamental issue in this country, there is no movement away from that intention. The one thing with which my friend will agree is that before surging ahead in those areas, strong fiscal measures must be taken to bring down the deficit.

That is the companion equation of this government. It was clearly the underpinning of the last budget, the main thrust of which was to deal with fiscal restraint and at the same time, reorder and restructure systems so that Canadians can continue to have strong services and supports for a growing economy. That is the motivation of this government.

## FEDERAL-PROVINCIAL RELATIONS

EFFECT OF ENFORCEMENT PROVISIONS OF AGREEMENT ON INTERNAL TRADE IMPLEMENTATION BILL ON INTERPROVINCIAL TRADE—GOVERNMENT POSITION

**Hon. Fernand Roberge:** Honourable senators, at least three provinces, Alberta, British Columbia and Quebec, have problems with the enforcement provisions of Bill C-88, the internal trade bill. They state that this bill may give Ottawa powers that go beyond what was agreed to last year. For example, there is a worry that Bill C-88 will allow the government to apply any federal law to a province and take any measure that the cabinet feels is necessary. While the Minister of Industry may disagree with their interpretation, those concerns do exist, and the provinces have put this matter on the agenda for today's meeting of the internal trade representatives.

In the interest of removing irritants that may delay passage of this bill before the July 1 target date, would the Leader of the Government inquire of the Minister of Industry whether he is prepared to make amendments to address those provincial concerns?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will certainly undertake to my colleague to put those questions to the minister and seek a response from him.

## HEALTH

IMPLEMENTATION OF EXPERT'S REPORT ON PLAIN PACKAGING OF TOBACCO PRODUCTS—CONSULTATIONS BY MINISTER—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, very recently the Minister of Health, upon releasing the report of the expert panel on the plain packaging of tobacco products, enunciated the bottom line. I quote:

> ...'all other things being equal' — plain and generic packaging of tobacco products would likely depress the incidence of smoking uptake by non-smoking teens, and increase the incidence of smoking cessation by adult smokers.

Tobacco companies began their rearguard action against plain packaging well before members of Parliament had the opportunity to review the study's findings. They began to register as trademarks virtually everything that appears on cigarette packaging. The words "additive free" or "100 per cent Canadian tobacco without additives" are now deemed to be trademarks of Rothman's Benson & Hedges new brand. Next I suppose we will see a trademark of something called a "healthy cigarette."

The Minister of Health has stated that she wants to consult with other departments and await the Supreme Court ruling before moving ahead. Will the Leader of the Government ask her colleague the Minister of Health whether she will ensure that those consultations begin promptly, and are not used to justify the protracted delay that public health advocates fear, so that we have to wait another three or four years before implementing this good, solidly researched report.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be very pleased to do that.

I notice that the honourable senator made a reference to some company considering the advertisement of a "healthy cigarette." She and I are on the same wavelength on this issue. As a reformed smoker from my misguided youth, I do not believe there is such a thing as a "healthy cigarette."

**Senator Spivak:** Will the Leader of the Government consult with the Minister of Health to ascertain whether she will make it a priority of those consultations to devise means to dissuade and, if necessary, prohibit tobacco manufacturers from subverting any move to plain packaging through the Registry of Trademarks?

**Senator Fairbairn:** I would be pleased to take up the issue with my honourable colleague and any other questions on the issue of plain packaging that the honourable senator may have. It is a matter that is dear to the heart of the Minister of Health.

## FISHERIES

COLLAPSE OF ATLANTIC FISHERY—LONGER-TERM PROVISION FOR LAID-OFF WORKERS UNDER THE ATLANTIC GROUNDFISH STRATEGY—GOVERNMENT POSITION

**Hon. Brenda M. Robertson:** Honourable senators, when the Atlantic Groundfish Strategy was announced, the Minister of Fisheries talked about funding of $1.9 billion over five years. The bulk of that money was to go to the Human Resources Department to support the Income Support Adjustment Strategy. That strategy would include training, work projects and mobility. We now know from public reports that those projects have not been particularly successful. However, the $1.9 billion funding for five years was an interesting figure at the time.

The Standing Senate Committee on Fisheries was advised last evening that in 1990-91, the fish stocks had declined by 90 per cent; in 1991-92, the remaining stock had declined by another two-thirds, even after cessation of fishing groundfish; in 1992-93, the remaining stock had dropped by another three-quarters, and in 1993-94, by another four-fifths. As a result of information the scientific division now has, and assessing these deplorable results relating to the stock, we were told last evening that, even in an optimistic light, they do not expect the groundfish — the cod stocks — to return for 14 years.

• (1410)

We know that $1.9 billion is not overspending on a five-year average. That has been raised in the other place. We also know that between 35,000 and 40,000 people are unemployed because of the collapse of the fishery. I should like to know what Minister Axworthy intends to do to help those people. What will we do with them for the next 14 years following the expiry of TAGS? What are the plans of the government? Obviously, whatever they are, they are not working, since the reports on the initial endeavour are not very good.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the issue raised by my honourable friend is obviously one of enormous significance and tragedy to her region of the country, and to the country as a whole.

As my honourable friend knows, the TAGS program is in its first year, and I understand that there have been difficulties. Despite the initial projections, many more people have applied for TAGS than had been anticipated. This has led to higher demands for counselling, training, and income support.

The Minister of Fisheries, Mr. Tobin, and the Minister of Human Resources Canada, Mr. Axworthy, are currently reviewing the TAGS strategy with a view to changing it to meet in the most productive way the circumstances underlined by my honourable colleague. I will certainly seek more details for her from both ministers.

In my view, it would be premature to indicate that the TAGS program has been a failure. It may have been overwhelmed initially by the demand, but the program has produced positive results in the area of training, and the preparation for training. This is a part of the program in which I am very much interested.

**Senator Robertson:** By way of supplementary, does the leader expect a long-term policy for these people? When can we expect the two ministers to make an announcement in this regard? The regional population of Atlantic Canada is waiting for significant responses.

**Senator Fairbairn:** Honourable senators, I will try to ascertain a precise timing or direction with respect to the question posed by Senator Robertson.

As I indicated a few minutes ago, the program is under review. Clearly, in the Atlantic provinces, the long-term impact of the problem is a challenge which this government and governments at every level must combine to meet. TAGS has been an initial attempt to solve the problem. It is not by any means a failure. In a sense, the services offered have been successful or helpful enough to attract a greater number of people than had been anticipated.

Honourable senators, there is clearly a need for a long-term strategy. I will seek more information on timing, and any other information that I can find for my honourable friend.

AID FOR LAID-OFF WORKERS UNDER THE ATLANTIC GROUNDFISH STRATEGY—REQUEST FOR STATISTICS

**Hon. Brenda M. Robertson:** Honourable senators, I would not expect the information which I now seek to be available immediately. However, I will put the leader on notice that when we return in the fall, I would hope to receive statistical evidence from her that will show how many of the 35,000 or 40,000 unemployed have been helped in a permanent manner by this strategy.

**Hon. Joyce Fairbairn (Leader of the Government):** In response, I can only say that I will do my best to see what I can ascertain from the minister.

## THE ECONOMY

CREATION OF JOBS FOR WOMEN THROUGH INFRASTRUCTURE PROGRAM—REQUEST FOR PARTICULARS

**Hon. Marjory LeBreton:** Honourable senators, my question is for the Leader of the Government in the Senate, and is a follow-up to the question posed by Senator St. Germain about the infrastructure program and the issue of jobs.

I realize there have been strange definitions of "infrastructure", but I should like to know how many long-term, real jobs have been provided by the infrastructure program.

As a supplementary, I would ask, how many infrastructure jobs have gone to women?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be very happy to attempt to find that information for Senator LeBreton. In terms of long-term jobs, I will ask the President of the Treasury Board what information he can give me.

The honourable senator will appreciate that, initially, the underlying purpose of the infrastructure program was to get things moving. As the honourable senator will know, jobs are short-term in a great number of construction projects across the country. These jobs will last only for the duration of the project. However, the view of the programmer behind the program was that this activity, in itself, would prompt more activity in Canada in terms of producing a greater number of long-term jobs.

Many projects were put on hold for some years, and were thought to have been on hold indefinitely, especially in smaller areas. Given the three-way partnership involved, these projects have been able to produce activity which has been extremely helpful, not only in the number of jobs created, but in the ripple benefits throughout these communities.

In terms of actual statistics, I will be pleased to see what I can obtain for the honourable senator. However, the infrastructure program does operate within a larger context, which I am sure my honourable friend appreciates.

## HUMAN RIGHTS

RELATIONSHIP TO AID AND TRADE—GOVERNMENT POLICY

**Hon. Noël A. Kinsella:** Earlier this week, several honourable senators attempted to ascertain from the government its policy on human rights and aid, as well as the policy of the government on human rights and trade. These questions are terribly important. More important, of course, is a clarification of what is the policy of the Government of Canada.

Senators on this side of the chamber are not the only people who are asking these questions. Today's *Toronto Star* — a newspaper with much affection for the other side — reports in an article by Allan Thompson that Amnesty International has accused Canada of being an accomplice to human rights abuses because of the Liberal government's reluctance to publicly condemn trading partners who are guilty of human rights violations.

Honourable senators, this is not a figment of our imagination. Here is a newspaper of some import which has a great affection for the policies of the other side, but it questions the governments policy as well.

I have two simple questions. First, is the policy of the present government that our foreign trade has been delinked from the human rights records of receiving countries? Second, is it now the policy of this government that our trade will not be shaped by the human rights records of those countries with which we trade?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to take the specific questions of my honourable friend and try to obtain a comprehensive response for him. By way of the exchanges we have had in this chamber over recent weeks and months, he knows that government policy is not one thing or the other. As articulated by the Prime Minister, government policy has been that we are committed to human rights.

However, in trading with these countries, we are also very critical of human rights violations. We continue to deal with these countries, not only in terms of merchandise but in terms of services of support that Canada offers — projects on legal and judicial reform, women's issues, and democratic institutions. Bringing countries whose record may be open to criticism into greater contact with countries such as Canada is a tool in promoting human rights. It brings human rights abuses into greater focus around the world.

• (1420)

I would repeat to my honourable colleage, this government's policy is not on one side or the other, and we have discussed this matter before. I will, however, undertake to attempt to obtain a comprehensive and more eloquent response for my honourable colleague than I have offered.

**Senator Kinsella:** I thank the leader for her reply. I know that she and many of her colleagues opposite were leaders in developing the Liberal Party's policy in terms of human rights and foreign policy over the years. However, it has been reported by people outside of Parliament that there has been a slippage away from that policy. That may not be so, but that perception seems to exist. It would be good for Canada, and certainly for parliamentarians, to understand whether there has been a shift in policy, and that we have an articulation of same.

REPORTS ON RECORD OF VARIOUS COUNTRIES COMPILED BY FOREIGN AFFAIRS DEPARTMENT—GOVERNMENT POLICY—REQUEST FOR ANSWER

**Hon. Noël A. Kinsella:** My supplementary question relates to a question that I asked sometime in March. Even in the human rights field, we must be able to measure results and effects. If the government's stated policy of using quiet diplomacy and trade contacts is to be the methodology, that may work, but we will only know that if it can be measured.

It is for that reason that I asked my question last March, and I have not yet received an answer. Has the Department of Foreign Affairs established protocols for the Foreign Affairs officers in overseas posts, and also for trade officials overseas, whereby they are required to report to Ottawa on the contacts they have made in the course of their trade relations, or aid relations, or foreign relations, in raising questions on human rights? For example, do we have a report from any official of the Department of Foreign Affairs having raised, last week in Beijing, the question of the incarceration of a number of Chinese nationals whose human rights activities are displeasing to the government of that country?

**Hon. Joyce Fairbairn (Leader of the Government):** I will be pleased to try to accelerate a response to my honourable friend on his most recent question, and on his other concerns in terms of the question of protocols.

## DELAYED ANSWER TO ORAL QUESTION

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on May 4, 1995 by the Honourable Senator Pierre Claude Nolin regarding the Canadian Meteorological Centre in Dorval.

## PUBLIC WORKS

CANCELLATION OF BUILDING CONTRACT IN DORVAL, QUEBEC—SUBSTITUTION OF RENTAL AGREEMENT—REQUEST FOR PARTICULARS

*(Response to question raised by Hon. Pierre Claude Nolin on May 4, 1995)*

The Department of Public Works and Government Services Canada has evaluated all reasonable options and determined that the purchase of the facility that houses the Canadian Meteorological Centre in Dorval at this time represents the best value for the Crown and the Canadian taxpayer.

Under the terms of the existing 20-year lease, the Crown has the right to purchase the building after 10 years. That benchmark has just been reached and the Crown is going to exercise this option.

The purchase price for this option, in accordance with the terms of the lease which was signed in 1985, is $8.7 million. This sum is predetermined by the terms of the original lease signed with the owner of the facility. Although the market value was appraised to be $5.2 million, for the Crown this facility has a value of $25 million, this being the sum total of $5.2 million (fair market value of the building), $12 million for special improvements which have already been made to the building to house the Canadian Meteorological Centre, plus $8 million in cost that would be required to return the building to its original state (as would be required under the terms of the existing lease) as well as moving and associated costs.

As the Auditor General pointed it out in his 1985 report, the Crown is basically a **"captive tenant"** in this facility due to its investments in this building and the prohibitive costs of relocation. The Auditor General also stated that "such a complex computer installation must be in a crown-owned building."

As PWGSC is currently in negotiations with the owner of the building, no information on the purchase process, including the proposals and cost-benefit analysis, can be divulged at this time.

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# ORDERS OF THE DAY

## FARM IMPROVEMENT AND MARKETING COOPERATIVES LOANS ACT

BILL TO AMEND—SECOND READING

**Hon. H.A. Olson** moved second reading of Bill C-75, to amend the Farm Improvement and Marketing Cooperatives Loans Act.

He said: Honourable senators, I should like to make a few comments about this bill. I have a short version and a long version. In view of the time, I will take the shorter version and just deal with the facts.

The purpose of the bill is to increase the five-year aggregate principal amount of loans which can be guaranteed under the act from $1.5 billion to $3 billion. This bill amends the Farm Improvement and Marketing Cooperatives Loans Act.

When the act was last amended in 1988, the need to seek periodic program extensions was removed by fixing the aggregate principal amount of all the loans made under the current fiscal year, plus the four preceding fiscal years, to a maximum of $1.5 billion. Loan activity has increased dramatically since 1990-91, and, as a result, the $1.5 billion cap could be reached by June of 1995. If we do not proceed with this suggested amendment, lenders would have to stop making loans to farmers under the program once the cap is reached.

Annual loan registrations under the act have more than tripled to $424 million in 1993-94 from $118 million in 1991-92. In the first three quarters of 1994-95, an additional $422 million has been registered. This trend is expected to continue for the next several years. Sustained lower interest rates, an improved farm debt situation, approximately 600 new designated lenders including credit unions in Saskatchewan and caisses populaires in Quebec, and better marketing of the program have contributed to this increase in loans under this act.

Under the act, once the five-year $1.5 billion loan limit is reached, the federal government would no longer be in a position to guarantee the loans made by lenders. This would make further new loan activity under the Farm Improvement Marketing Cooperatives Loans Act impossible. This amendment to the act will increase the five-year loan limit to $3 billion. The department has agreed to move toward cost recovery and will soon be discussing this with the stakeholders, being both the people lending the money — the cooperative institutions — and the farmers borrowing the money.

The program facilitates access to credit for farmers and farmer-owned marketing cooperatives, particularly in rural areas, for a wide range of farm improvement projects. Borrowers benefit from advantageous interest rates and lower equity requirements. The program encourages investment in new machinery and technology, and it facilitates investment in alternate farm initiatives.

Honourable senators, that concludes my remarks for today, although there are some other vital statistics in which some members may be interested. Perhaps they could wait with questions on that matter until they have an opportunity to ask questions of the officials in committee.

**Hon. Leonard J. Gustafson:** Honourable senators, the remarks I have prepared are along the same lines indicated by Senator Olson. I rise to indicate our support for this bill.

This program has been in operation for 50 years, and it has been pretty successful. We have had many programs in relation to agriculture under different governments. Some have worked out very well and some have not worked out so well. However, this particular program has been a good one.

One important matter in relation to this bill is the timing. The agricultural industry, as a whole, is expanding in several areas. There is a great deal of diversification. Value-added marketing is coming into play. These are important initiatives which have been stimulated both by the former and the present government.

Honourable senators, there is a need for this additional financing. This is not government money lent; it is government money guaranteed. The banks and the credit unions lend it, and they act as the administrators of it. It is also important that we have a representative in every community so that there is no added expense to government on that part of the program.

• (1430)

I cannot emphasize the diversification enough. Let me give honourable senators one or two examples of that. In Saskatchewan, canola has become the crop to produce. It is being sought after internationally, particularly by countries like the U.S. and Japan. The Senate Agriculture Committee just met in Winnipeg with the Canadian Canola Association. They indicated to us the importance of being able to supply canola to the Japanese market, the German market and other markets. It takes additional funds to raise these kinds of crops and to diversify from the traditional wheat crop that we have grown for years.

We support this program fully. Farmers have used it for such things as expanding livestock herds, fencing, buying additional land, operations in diversification, and so on.

Honourable senators, we on this side of the Senate support the bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Olson, bill referred to the Standing Senate Committee on Agriculture and Forestry.

## THE BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY ACT

BILL TO AMEND—SECOND READING

**Hon. Colin Kenny** moved second reading of Bill C-81, to amend an Act respecting the Buffalo and Fort Erie Public Bridge Company.

He said: Honourable senators, this is a simple bill which contains two objectives. The first objective is to increase the borrowing power of the Buffalo and Fort Erie Public Bridge Authority from $15 million to $100 million or such greater amount as the Governor in Council may fix. The second objective of Bill C-81 is to transfer administrative responsibility for the legislation from the Minister of Finance to the Minister of Transport.

The Peace Bridge is one of four bridges spanning the Niagara River. It is the second busiest link between Canada and the United States. More than 300 million vehicles have crossed the bridge since it opened in 1927.

In recent years, commercial traffic on the bridge has been running into problems. There are difficulties with congestion on both sides of the bridge and in the plazas that house the customs operations for both countries.

The increased borrowing authority will allow the project, referred to as the Gateways Project, to go ahead, which costs in the area of $114 million Canadian. This capital investment program will take place on both sides of the border, improving the facilities that are congested. It will have a positive economic impact in terms of the work involved and, more to the point, it will expedite border crossings.

The purpose of giving the Governor in Council authority to fix the borrowing limit at $100 million or greater is simply to avoid having to return to Parliament in the event that further improvements will be made to the facility, such as twinning the bridge, which is likely to occur sometime fairly soon.

There are no costs associated with this piece of legislation, as the bill specifically protects the government from liability for the authority's debt, even in the event of default.

The transfer of legislative responsibility between ministers will correct what can only be considered an administrative anomaly. The Minister of Transport has primary responsibility for coordinating international crossings, and it is more logical to concentrate the responsibility for all of the crossings with the Minister of Transport than to have the responsibility for one with the Minister of Finance. Transport Canada assumes certain responsibilities associated with these crossings, such as policy directives, systems planning, granting construction and operating permits, environmental assessment, and so on.

It is a reasonably straightforward administrative bill, honourable senators, and I urge the house to support it.

**Hon. Donald H. Oliver:** Honourable senators, it is a pleasure for me to rise to speak to Bill C-81. I appreciate the lucid and clear explanation given by Honourable Senator Kenny.

I have had an opportunity to get a briefing book from the department, and departmental officials have given me background information on this particular bill.

As has already been pointed out, the Peace Bridge is the second busiest cross-border highway link between Canada and the United States. It carried almost 8 million vehicles in 1984, of which over 1 million, or 14 per cent, were trucks. Approximately $20 billion in trade crosses over that bridge each year.

It has also been pointed out by Senator Kenny that the amendments will allow the authority to finance the Gateways Project, which he described, by increasing its borrowing power from $15 million to $100 million, corresponding with the 1993 change in New York law, or such greater amount as the Governor in Council, on the recommendation of the Minister of Transport, may suggest.

I am told that the authority intends to market approximately two 30-year bond issues in the United States totalling $70 million U.S. in 1995 and 1997 to take advantage of the lower borrowing costs offered by the pre-tax exempt bonds and to use its toll revenues to service that debt. I am sure that many Canadian municipalities would like to be in the same position.

Finally, we on this side support the purpose in giving the Governor in Council power to fix the authority's borrowing limit at amounts greater than $100 million. That is to achieve greater efficiency by avoiding the need for further legislative amendments. We are in favour of having this bill sent to committee where, with the assistance of the minister and other officials, we hope to complete our review and return it to the Senate without amendment so that it can receive Royal Assent.

**The Hon. the Speaker:** It is your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Kenny, bill referred to the Standing Senate Committee on Transport and Communications.

## EUTHANASIA AND ASSISTED SUICIDE

REPORT OF SPECIAL COMMITTEE—ORDER STANDS

On the Order:

Consideration of the Final Report of the Special Senate Committee on Euthanasia and Assisted Suicide, entitled: "Of Life and Death", tabled in the Senate on 6th June, 1995. — (*Honourable Senator Neiman*).

**Hon. Joan Neiman:** Honourable senators, I ask that this order stand in the name of Senator Beaudoin.

**The Hon. the Speaker:** Honourable senators, is it agreed?

**Hon. Senators:** Agreed.

Order stands in name of Senator Beaudoin.

[*Translation*]

## PRIVILEGES, STANDING RULES AND ORDERS

MOTION TO AUTHORIZE COMMITTEE TO STUDY AND REPORT UPON DECISION OF THE HOUSE OF COMMONS TO CEASE PUBLICATION OF COMMITTEE PROCEEDINGS—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Gauthier, seconded by the Honourable Senator Hervieux-Payette, P.C.:

That the Standing Committee on Privileges, Standing Rules and Orders consider and report on:

i) the effects on the Standing Joint Committees of the decision by the Board of Internal Economy of the House of Commons concerning the editing, translation and printing of Committees Issues; and

ii) the need for the Board of Internal Economy of the House of Commons to consult the Senate before making decisions on matters that concern both Houses of Parliament. — *(Honourable Senator Corbin).*

**Hon. Eymard G. Corbin:** Honourables senators, I rise on the motion of the Honourable Senator Gauthier to refer the following matters to the Standing Committee on Privileges, Standing Rules and Orders:

i) the effects on the Standing Joint Committees of the decision by the Board of Internal Economy of the House of Commons concerning the editing, translation and printing of Committees Issues; and

ii) the need for the Board of Internal Economy of the House of Commons to consult the Senate before making decisions on matters that concern both Houses of Parliament.

When I spoke on the inquiry of Senator Gauthier during the debate on the motion, I gave notice that I intended to present an amendment to his motion. I will take a few moments to more or less repeat what I said at the time or, in any case, to repeat my reasons for presenting the amendment, which I will read to you in a few moments.

When the matter of ceasing publication of proceedings of House committees was raised, I was the first person in this house to condemn this decision. I condemned it as an attack against the printed word.

Today, people want to computerize everything. For anything to be worthwhile, to be credible, to have any weight at all, it has to appear on the video screen. Printing, which dates back to the fifteenth century, with the invention of moveable types by Gutenberg, is becoming obsolete.

I think this was not an informed decision by the House of Commons. It was a hasty decision. Not enough thought went into it. There was certainly no consideration given to the way we work as parliamentarians in the Senate and the House of Commons. No thought was given to the work being done by many people outside Parliament, and I am thinking first of all of students, academic researchers, writers, and there are many more, including all the witnesses who, at some time or other, over the years, have gone to the House of Commons to make presentations and are interested in receiving the printed version of the proceedings of the committee before which they appeared. They want to follow the subsequent debate in committee, in the House of Commons and, finally, in the Senate, all the way up to the stage where the bill is passed, where a resolution is adopted or a major issue is dealt with.

Not everyone has or can afford a computer to plug in to the electronic networks. I cannot afford one, and like many senators, when I am interested in a certain matter, I take the committee proceedings or the *Debates of the Senate*, put them in my pocket and read them when I have time, often while I have my morning cup of coffee. I may put a few copies in the car because I know I will have some time to myself at night or on weekends in New Brunswick.

Therefore, while the decision to "computerize" — and I use the term loosely — the deliberations is in itself praiseworthy, it did not compensate for certain shortcomings nor meet certain desiderata or even obligations in the Constitution Act, the Official Languages Act and the rules of the House of Commons, since we are talking about the House. I think that we should think twice about the repercussions of such initiatives on the way things eventually will be done in the Senate.

I certainly do not want to argue with my friend, Senator Gauthier. I cannot support the method he has proposed to the Senate in his motion. I think that he has come to the Senate still dragging the House of Common's ball and chain on his ankle. He is fence sitting between two traditions, the tradition of the House of Commons and the way things are done in the Senate, which is to soberly think things through.

In the Senate, we take the time that is needed to thoroughly review a matter, to let something simmer for a while, when necessary. There is no rush whatsoever. God knows that the Senate has been known to delay House of Commons initiatives.

What I find surprising is that my friend Senator Gauthier, who so tenaciously, vigorously and aggressively defended the entrenchment of the rights of francophones in the Canadian Constitution and wanted to entrench them even more, this time seems to want to go easy on the issue, deferring the issue to the Standing Committee on Privileges, Standing Rules and Orders. I do not agree.

An issue that is enshrined in the Constitution deserves our attentive review and reflection. I, for one, will not be satisfied otherwise. I do not mean to criticize in any way the Standing Committee on Privileges, Standing Rules and Orders. It is quite capable of fulfilling the mandate with which the Senate has entrusted it. However, what is of capital importance in Senator Gauthier's motion is that we are dealing with a constitutional issue.

Where are constitutional matters considered in the Senate? In the Standing Committee on Legal and Constitutional Affairs. Traditionally, it has been this committee. My good friend Senator Gauthier has said, to all intents and purposes, that the House of Commons has learned its lesson. It is water under the bridge. They acknowledged that, constitutionally, they were wrong. I do not think this is enough.

This type of error is unfortunately repeated from time to time. I think that there is cause to consider the nature of the protection the Constitution accords official languages and the obligation to print the deliberations and minutes of committees and of the two Houses in both official languages. It is not, in my opinion, a waste of time to refer this matter to the Standing Committee on Legal and Constitutional Affairs. It is fundamental.

Fortunately, the Senate was watching this time. Fortunately, senators rose to criticize what was happening in the House of Commons. We want to make sure this does not happen again. This is why the Standing Committee on Legal and Constitutional Affairs will look into the matter in detail and decide, once and for all, what rights, protection and obligations are enshrined in the Constitution.

To this end, I propose the following amendment to the motion by Senator Gauthier:

> That the motion be not now adopted but that it be amended in the first paragraph by striking out the words "Standing Committee on Privileges, Standing Rules and Orders" and substituting the words "Standing Senate Committee on Legal and Constitutional Affairs"; and
>
> That the following paragraph be added:
>
> "(iii) the constitutional obligation to print the deliberations and minutes of the standing, joint and special committees of the two Houses of Parliament in both official languages."

The text is in both languages. Unfortunately, I have only one copy. Perhaps we should make some for those who wish to speak.

**The Hon. the Speaker:** Could you give me the name of the seconder of your motion?

**Senator Corbin:** It is Senator Petten.

**The Hon. the Speaker:** It is moved by Senator Corbin, seconded by Senator Petten:

> That the motion be not now adopted but that it be amended in the first paragraph by striking out the words "Standing Committee on Privileges, Standing Rules and Orders" and substituting the words "Standing Senate Committee on Legal and Constitutional Affairs"; and
>
> That the following paragraph be added:
>
> "(iii) the constitutional obligation to print the deliberations and minutes of the standing, joint and special committees of the two Houses of Parliament in both official languages."

**Hon. Marcel Prud'homme:** Honourable senators, right now, without referring to my notes on this subject, without preparation, I wish to give my full support to Senator Corbin, without necessarily withdrawing my support for all past, present and future actions taken by an individual I have always considered to be the champion of the rights of francophones outside Quebec.

This debate is so fundamental that I am very honoured to see the Senate defend these fundamental rights. This, incidentally, is part of the Senate's mandate. This is one of my many speeches which annoy some senators, whenever I say: What are we doing in the Senate? When we talk about defending minorities, we are referring not only to all minorities but also to the French question.

In a little while, I will give you a report on my travels. I have just returned from Czechoslovakia, where I spoke about the very issue of minorities, as I did in Albania and in Kiev and as I will soon do elsewhere.

Personally, I do not consider myself a member of a minority. I do not suffer from a minority complex. If there are minorities in Canada, we French Canadians are not one of them. We are a people, we know who we are, and we have rights.

This issue is so fundamental that I debated this for 30 years in the House of Commons, in the federal Liberal caucus and in committees. It is always the French Canadians who must ask and almost beg on bended knees for respect for what should be vested rights. This is not normal. Either these rights exist or they do not. I could tell you, Your Honour — and you are in a good position to know this — how often we sit quietly saying that there is no time for translation. We get the minimum. If even one MP or senator asks for translation, he or she is not appointed to the committee, so that it can work in English only, thus speeding things up and saving money. That is clearly no way to build a country.

I am always furious whenever a parliamentary committee — this does not occur as frequently in the Senate because of the events of which you are all aware — asks whether an exception can be made. The onus is always on French Canadians to object and take it upon themselves to annoy their colleagues, who are somewhat intimidated and who know deep down that things should not be done this way. That is part of the Senate's mandate.

I am very happy that I rose spontaneously to participate in this debate, because it will prevent me from going a little too far. A

little too far because one cannot sit for 30 years in this noble institution, whether it is the House of Commons or the Senate, and get actively involved without accumulating stories to share with you.

This does not make me less of a federalist. Be assured that I remain fully convinced that this country belongs to us, to Senator Hervieux-Payette, Senator Bacon, Senator Gauthier, Senator Prud'homme and Senator De Bané, as much as to all the others. I have never understood why speaking French is seen as a problem. Whenever I hear someone talk about the "French problem", I am appalled that, in 1995, there are still people who do not understand what Canada is all about.

As I said, I cannot go to Slovakia and give conferences on the protection of the Hungarian minority or to Albania and Kiev to speak on the protection of the Russian minority and then, back home, show no feelings for our own minority.

We are not a minority in the sense that we are inferior. It is just that our numbers are smaller. There is no reason to be ashamed. We have constitutional rights. These rights exists in writing and are clearly spelled out.

I regret that it is always the same people, namely us, who have to stand up and say these things. There are honourable senators who have been sitting in this place for 20 or 30 years, who are great fans of Liberal regimes of the past and who fundamentally believe in bilingualism across Canada. There is a will, at the federal level, not to impose bilingualism on those who have no need for it, but why should the French Canadians always be the ones who are bilingual?

I am not asking honourable senators who do not speak French to become bilingual. I am not suggesting that. It is up to them, not to me.

When I was first elected to Parliament, I was not bilingual. I decided to become bilingual; it was a personal choice. My other option was to remain a unilingual francophone, the same way other senators have gladly remained unilingual anglophones. It is their privilege. That is what Canada is about.

Nonetheless, as this country faces an identity crisis, you will find people who will spontaneously jump to their feet, as I just did and have always done, to say that if this country is to exist, direction must come from here, in Ottawa, Canada. I even asked that the name of the province be removed from my calling card, which read: The Senate, Ottawa, Ontario, Canada. I urge you to do the same to show that you belong to Canada, not a province. Ottawa, Canada, is our home. It is your home, Senator Spivak, as well as yours, Senator Cohen. Ottawa, Canada, that is us.

There are fundamental rights. Looking at my friend, Senator Watt, and Senator Adams, I am reminded that they have even more rights than I do in this country. This should be recognized. It is the kind of thing that makes a country a model for the rest of the world.

Your Honour, you have travelled extensively. What does the parliamentary union keep hearing all the time, all over the world about Canada? What does Mr. Chrétien, the Liberal leader and current Prime Minister say about this country? They say that we have the greatest country in the world. To what do we owe that? To the fact that we have respect for our institutions, starting with the monarchy. I respect the monarchy. I say so in French as well as in English and no one objects. I hope that this will come to an end someday, in a calm and orderly fashion.

We have two official languages in Ottawa. They must be respected and there can be no compromise in that regard. Listen to me, I am speaking as if I were still a member of the Liberal caucus.

[*English*]

• (1500)

That is the speech I used to give in the national Liberal caucus every second year for 30 years, while senators and members of the House of Commons listened attentively.

This is the kind of concern which should be brought to your attention. You should be the artisan; you should be — as is written in the Bible — the witnesses of what you know is best for this country.

Canada is so respected in the world because we adjust, we respect, and we talk. We are different. I have one style of speaking and my friend Senator Petten has another. We are different, but we are no less Canadian for it.

To see Senators Corbin, Gauthier, Bolduc and Beaudoin, as well as myself, joining in spontaneously should send a message: There is no partisanship in this reaction.

[*Translation*]

It is a nation which is talking to you. It is a nation which is telling you that it has some rights in this country and in this Parliament. There can be no exception. Of course, we can still have lunch together and speak only in English.

[*English*]

Of course we could do that, but it must be understood at the lowest official level. Please do not put us continuously in the embarrassing situation of having to be the "party poopers," as you say in English.

The Leader of the Government in the Senate has a responsibility to ensure that no exceptions are made. No exception should be made, but we should not be...

[*Translation*]

— the ones who always claim something which should come naturally. Look at the young people who come here.

[*English*]

I spoke in the House of Commons to the model parliament of Queen's University from Kingston. Those young people are way ahead of us in understanding what Canada is all about. We should speak to young people more often. They are way ahead of us in understanding that the world is looking at us for reasons

other than simply that we are well-fed and well-dressed. They are looking at us because of the way in which we have come to terms with each other, as difficult as that may be. One of the greatest sources of pride in my life is telling the rest of the world how, at the end of the day in Canada, we come to terms with each other.

I do not hesitate to express my views in English, a language which I respect tremendously. Internationally, it is used more than is French. It is a commodity. I have no inferiority complex about that. I attended a meeting in Czechoslovakia last week which was conducted in English. The participants were from ten different countries, and we used English. Indeed, I tell young French Canadians from Quebec to learn English.

I reiterate that this country is so worth saving for humanity that we should disregard petty stuff like this from people who are shortsighted in relation to what Canada is all about. Yes, it costs money, but cut somewhere else. As chairman of the Members' Services Committee in the House of Commons, I was well known for cutting, but not on something so fundamental to us.

I am pleased to give my full support to Senator Corbin.

**Hon. Brenda M. Robertson:** I wish to thank the three honourable senators who have spoken so eloquently on this issue in the last few days.

I should like to know whether the Province of New Brunswick is represented on the House of Commons Board of Internal Economy. If there is no one from New Brunswick on that committee, where were the members of Parliament from New Brunswick during the debate on this matter in the other place?

New Brunswick is the only officially bilingual province. Why did the members from New Brunswick let something like this slip through? I do not understand this. Once again, the Senate must clean up what was left undone in the other place. I find that difficult and objectionable, and I should like the leader to tell her colleagues in the other place how objectionable it is.

We have a responsibility to watch out for such things, but surely we should not need to second-guess the House on every single issue. However, it seems that unless we do so, they expect us to close our eyes and allow things to happen.

Surely, even if there are no members of Parliament from New Brunswick on the House of Commons Board of Internal Economy, there are at least some in the Liberal caucus. I would appreciate it very much if the Leader of the Government in the Senate would obtain that information for me. I again thank our three colleagues for their contributions.

I support Senator Corbin. I believe that the Standing Senate Committee on Legal and Constitutional Affairs, to which he is suggesting this matter be referred, has better resources to deal with it than has the Standing Committee on Privileges, Standing Rules and Orders. However, if the Senate decides that the matter should be referred to our committee, we will certainly do the best we can.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to attempt to obtain that information for Senator Robertson.

On motion of Senator Gauthier, debate adjourned.

## BUSINESS OF THE SENATE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, the normal practice is that we adjourn at 3:00 p.m. on Wednesdays in order that committees can organize properly for their meetings at 3:15. In view of the fact that several committee are scheduled to sit and that several witnesses have agreed to appear at 3:15, I move that all remaining orders and inquiries stand.

**The Hon. the Speaker:** Is that agreed, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

The Senate adjourned until tomorrow at 2:00 p.m.

# THE SENATE

**Thursday, June 8, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### NATURAL DISASTERS IN ALBERTA

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, today I want to draw your attention to my home rovince of Alberta and the two natural disasters which are testing the resolve and the determination of Albertans, both in the far north and in the deep south.

As senators will know, for two weeks now, 1,600 fire fighters have worked non-stop to battle some 20 fires in North-eastern Alberta. The latest word indicates that eight of these fires continue to rage out of control there and in the territories despite the tremendous effort and commitment of these dedicated crews. Of particular concern at this time is the fire near Marinara Lake which covers some 78,000 hectares.

A more hopeful sign is the success of the burning control operation around Highway 63, which is the only road link between the city of Fort McMurray and the South. This highway is now open and traffic is flowing.

The courage and determination of the residents of northern Alberta, the fire fighters, and the officials in the face of this natural disaster merits the admiration and respect of those of us who live in the comforts of large urban centres.

While fire blankets much of the north, the southern part of my province is being swept by floods created by extremely heavy rainfall in the foothills of the Rockies and an unusually late melt of large mountain snowcaps. Some 15 water courses, including the Oldman, the Bow, and the South Saskatchewan Rivers have or soon will be cresting, causing the flooding of communities like Eden Valley Reserve, the Blood Reserve, the Peigan Reserve, the Crowsnest Pass, Pincher Creek, Bragg Creek, Black Diamond, Redwood Meadows, High River, Fort Macleod, Waterton Lakes National Park, Taber and Medicine Hat, where 5,000 people are currently being evacuated.

It is not only the towns that are being affected but the surrounding countryside, which includes some of the most productive farmland in the Province of Alberta. My own hometown of Lethbridge is experiencing the crest of the flood as I speak.

Local emergency operations in all communities are responding heroically, and as of today the response assessment appears to be working effectively. As senators will know, the provincial governments take the lead in the response to and operations of emergency situations. However, through the offices of Emergency Preparedness Canada, the federal government stands ready to provide whatever assistance Alberta or other provinces may request.

At this moment, however, my thoughts are with the very human stories that are unfolding around these emergencies, and they are stories of compassion and cooperation that bind communities together in times of distress and define the tenacity and shared values of the people who inhabit this country.

• (1410)

### ABORIGINAL WAR VETERANS HONOURED

**Hon. A. Raynell Andreychuk:** Honourable senators, I wish to draw to your attention an event that occurred on Tuesday, June 6. For the first time in history, all aboriginal veterans in Saskatchewan who fought in the First World War, the Second World War and the Korean conflict were honoured by the aboriginal community through a combined effort of the Federation of Saskatchewan Indian Nations, the RCMP and many corporate sponsors, including many government officials. It was an historic day because this was the first time that so many aboriginal veterans were noted by the community at large, and also by their own aboriginal community.

After a rather full day there was a banquet honouring them where an historic medal that had been crafted was presented to all the aboriginal veterans and their families. May I say that in a room of 1,000 people it was a rather moving experience.

It was also rather moving to have had the Senate honoured for conducting a study into the plight of aboriginal veterans after the three conflicts. The contribution of the Senate, the work that we have done, spurred people to reflect on aboriginal veterans and their commitment to Canada and to the war effort.

All of us would have been proud, as I was, to have attended that event.

The elders in an aboriginal setting are very important to the attitude, the vision and the education of aboriginal peoples. The aboriginal veterans were noted because it was their examples and their sacrifices that have spurred aboriginal young people to accomplish many of the wonderful things that they are involved in today, both for themselves and their communities.

The evening, in a hushed room of 1,000, was probably most poignant when Grand Chief Gordon Ahenakew indicated that the way to teach in the aboriginal community is by passing on from one generation to another significant, meaningful stories and lessons. As an aboriginal veteran the lesson that he said was important to him and made him feel like an equal soldier in the war effort was told by his grandfather. He said something to the effect: "Never let yourself be one step behind the white man; but again, never let yourself be one step ahead of the white man. Walk hand in hand and share. This will be the only way that Canada can truly prosper, and aboriginal people can prosper." He ended by saying that that lesson is more worthy of note today than it ever has been.

The evening ended with a tribute to Canadians, all veterans and, in particular, aboriginal veterans. I was pleased to have been a part of it on behalf of all senators.

### THE LATE CHARLES STEWART ALMON RITCHIE

TRIBUTE

**Hon. Landon Pearson:** Honourable senators, I rise to pay tribute to a great Canadian who passed away last night, much to our regret. Charles S.A. Ritchie was a diplomat, an author, a diarist, a bon vivant, a friend, and a truly special and great man.

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[*Translation*]

## ROUTINE PROCEEDINGS

### ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE PRESENTED AND PRINTED AS APPENDIX—DEBATE ADJOURNED

**Hon. Gérald-A. Beaudoin:** Honourable senators, I have the honour to present the Tenth Report of the Standing Senate Committee on Legal and Constitutional Affairs concerning Bill C-69, an Act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries.

I ask that the report be printed in the *Minutes of the Proceedings of the Senate* of this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

*(For text of report, see today's Minutes of the Proceedings of the Senate.)*

**The Hon. the Speaker:** Honourable senators, when shall this report be adopted?

**Senator Beaudoin:** With leave of the Senate and notwithstanding rule 58(1)(*g*), I move that the report be adopted now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Marcel Prud'homme:** I have no objection to speeding up the process in the Senate, but this is a very important bill. I attended a number of committee meetings, and I think we are really proceeding very quickly. There are several stages in the Senate, and I was approached very courteously by both sides, which asked whether I would let the bill go ahead. Everyone on both sides of this chamber is aware of my interest in this legislation. I made it clear to the committee that I did not feel like letting the bill go ahead that quickly. It has to be discussed and analyzed. I know what all this is about, not because I am so smart, but because I was at the committee meetings and spoke there, without being a member. Other senators as well should know what this bill is about.

For the time being, I am willing to consider the report stage of this bill. When Senator Beaudoin, a respected colleague, takes the floor, I certainly intend to speak as well, and we will see about the remaining stages. We should leave enough time for the Senate to absorb all the information. I know we can absorb a great deal, but it takes time to understand all the implications of a bill which, I think, is unnecessary and costly. However, to speed up the process, I am willing to give my friend Senator Beaudoin and Senator Petten leave to consider the report stage, as requested. Then we will see about the remaining stages. I would appreciate it if we were told exactly what the amendments are, for the benefit of all other senators.

**The Hon. the Speaker:** I assume that the Senate has given leave to proceed with consideration of this report.

It is moved by the Honourable Senator Beaudoin, seconded by the Honourable Senator Murray, that, with leave of the Senate and notwithstanding Rule 58(1)(*g*), this report be adopted now.

Is it your pleasure, honourable senators, to adopt the motion?

**Senator Beaudoin:** Honourable senators, Bill C-69 was referred to the Standing Senate Committee on Legal and Constitutional Affairs on May 2, 1995. After a presentation by Parliamentary Secretary Peter Milliken, three expert witnesses — professors John Courtney and Ron Fritz from the University of Saskatchewan and Peter Aucoin from Dalhousie University — appeared before the committee to give us their views on Bill C-69. Parliamentary Secretary Peter Milliken appeared again before the committee on June 5.

Considering the shortcomings raised by our three experts, a majority of the committee believes it would be appropriate to propose several amendments to Bill C-69.

The first amendment I will consider is a technical one. Its purpose is to add place of residence to the criteria that should be considered when selecting commissioners.

[*English*]

In his appearance before the committee, Mr. Peter Milliken, Parliamentary Secretary to the Government House Leader, said that the absence of a residency requirement was simply a matter of oversight. He said that there was no intention on the part of the government or the Standing Committee on Procedure and House Affairs to exclude this requirement or to have non-residents appointed. Mr. Milliken said he was sorry that that requirement was omitted, and that this is something that could be amended in the bill.

[*Translation*]

Accordingly clause 9 should include a new subclause to this effect.

The second amendment is intended to establish an electoral commission in each province following each decennial census. Bill C-69 proposes the establishment of a commission in a given province only if there is a significant change in the population in the province as a whole. This fails to take into account the fact that there may be changes and movement within a province requiring a redistribution of electoral boundaries, even though the total population has changed only slightly or not at all.

[*English*]

• (1420)

Section 51 of the Constitution Act, 1867 mandates the interprovincial distribution of seats after each decennial census. While it does not deal with distribution within a province, it is possible that an argument could be raised on the basis of section 51 or constitutional convention that intra-provincial readjustments should be made at least every 10 years. To avoid litigation and uncertainty, all provinces should have an electoral boundaries commission established at least every 10 years.

[*Translation*]

Accordingly, subclauses 16(3) to 16(6), paragraphs 4(1), 4(2)(*a*) and (*b*) and clause 5 must be repealed.

The aim of the third amendment is to prevent 20 members from challenging and overturning a decision by the Speaker of the House of Commons on the choice of commission members. Not every province has 20 members. Prince Edward Island, Newfoundland, Nova Scotia, New Brunswick, Manitoba and Saskatchewan do not. Members from these provinces wishing to dispute the choice by the Speaker of the House of Commons would have to find allies in other provinces, allies, who, by definition, are not affected by the Speaker's choices. The potential for abuse and bargaining seems fairly high. Accordingly, subclauses 9(7) to 9(12) should be repealed.

The fourth amendment involves replacing the definition of "community of interest" in subclause 19(5) with the one in the report by the Lortie Commission, recommendation 1.4.6A, which seems fairer, more comprehensive and more appropriate.

The fifth amendment would eliminate the provision whereby a commission would recommend changes to existing electoral district boundaries only if the factors identified in paragraph 19(2)(b) are significant enough to warrant it. This provision was criticized as being vague and ambiguous.

[*English*]

According to Professor Courtney, this clause confines or restricts the powers of commissions. It means that they are to start from a different operating principle — preserving the status quo rather than seeking relative voting equality.

[*Translation*]

Paragraph 19(2)(*c*) should therefore be repealed.

Finally, the sixth and last amendment proposed by the committee is the most important, in my opinion, as it deals directly with the right to vote and the relative equality that goes with it. In light of the reference to Saskatchewan electoral ridings, the Supreme Court appears to recognize that the legislator may, in certain circumstances, justify a difference of up to 25 per cent between ridings.

The committee feels that this difference is much too large and proposes that it be reduced to no more than 15 per cent. Electoral power equality is an ideal that we must try to attain, and in a case like this one, nothing prevents Parliament from having tougher requirements than the Supreme Court of Canada. Although he dissented in the reference to Saskatchewan electoral ridings, Mr. Justice Cory made some remarks that are full of wisdom and invite reflection:

> ...The right to vote is synonymous with democracy. It is the most basic prerequisite for our system of government.
>
> ...Every vote must be relatively equal to any other vote.
>
> ...Free people have always sought the relative equality of electoral power.
>
> ...If the right to vote must have real meaning for the individual voter, the vote of each individual, subject only to reasonable differences based on geographic considerations and on community of interest, must be as equal as possible to the vote of any other voter in any other riding. Any significant reduction of this right to relative equality of electoral power will inevitably make voters frustrated with and distrustful of the election process.

How can one disagree with this statement by Mr. Justice Cory? We should move away from the "one person, one vote" principle only in exceptional and extraordinary circumstances. The committee feels that, although a 15 per cent difference may be acceptable in some cases, the 25 per cent difference is much too large. That is why the committee proposes amendments to subsection 3(2) and paragraph 19(2)(*a*).

Honourable senators, those are the explanations behind the committee's proposed amendments to Bill C-69.

[*English*]

**Hon. Lowell Murray:** Honourable senators, I intend to make a speech on this matter — not a long one, but a speech nonetheless. I do not wish to delay Routine Proceedings any longer. I thought that I might adjourn the debate until we came to government business, at which time the Leader of the Government in the Senate could recall the item, or I could make my speech at third reading later this day. I think we could adopt the report now. Perhaps Senator Carstairs could move third reading and we could adjourn the debate until later today, if that is satisfactory to Senator Prud'homme, whom I see rising.

**Senator Prud'homme:** It is not a question of Senator Prud'homme being satisfied. We are jumping the gun today.

Senator Murray is saying that Senator Carstairs may like to speak on third reading, as would he. Not only are we not at third reading stage, but permission has not yet been granted to move the bill to that stage. We are still at the report stage, and the report has now been presented by Senator Beaudoin. There should have been a delay. I could have said no.

I do not wish to be difficult. I have followed this bill since day one.

• (1430)

There are many great arguments to be made for consideration by honourable senators, one of which is a savings of $5 million. I do not like to give consent that fast when we are in the process of considering saving so much money.

However, at the moment, we are at the stage where Senator Beaudoin has read his report, and I am happy. I have been consulted, and I agree with Senator Murray that we suspend this debate until after the Orders of the Day so that we can continue the discussion at the report stage. That is what I understood would occur; not to have a motion for third reading.

If we finish this step today, people will have to go according to the rules. If there is permission for third reading today — and, if I understand the rule well, then we will consider each step one at a time. I think we are jumping the gun.

Frankly, I am confused. We are being asked to do first this and then that. I am ready, but please do not confuse our other colleagues. I am confused enough already, and I followed the bill. If I understand well, Senator Murray and I agree that Senator Petten should return to the Orders of the Day and, more particularly, to the debate at the report stage of this bill, because permission was given to do so today.

If there is no other speaker at the report stage, we shall then consider when the third reading will be done. If it is today, fine. If not today, that is too bad. The House of Commons will have to learn not to dump on us at the last minute bills that are of great importance, just to satisfy their egos.

**The Hon. the Speaker:** It is moved by the Honourable Senator Murray, seconded by the Honourable Senator MacDonald, that further debate on this item be adjourned until later this day —

**Senator Murray:** Honourable senators, the one item on which there is agreement is that the government will call this item when we get to "Government Business."

**The Hon. the Speaker:** Debate on the matter will then be adjourned until later this day. Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

On motion of Senator Murray, debate adjourned until later this day.

## LOBBYISTS REGISTRATION ACT

BILL TO AMEND—REPORT OF NATIONAL FINANCE COMMITTEE PRESENTED

**Hon. Lowell Murray**, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Thursday, June 8, 1995

The Standing Senate Committee on National Finance has the honour to present its

THIRTEENTH REPORT

Your Committee, to which was referred Bill C-43, An Act to amend the Lobbyists Registration Act and to make related amendments to other Acts, has, in obedience to the Order of Reference of Thursday, May 25, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

LOWELL MURRAY, P.C.
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Petten, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## ADJOURNMENT

**Hon. William J. Petten (Acting Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday next, June 13, 1995, at two o'clock in the afternoon.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## APPROPRIATION BILL NO. 2, 1995-96

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-97, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Petten, bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

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# QUESTION PERIOD

## TRANSPORT

PENSIONS OF ROUTE CANADA EMPLOYEES—DELAY IN RESOLUTION OF DISPUTE—STATUS OF NEGOTIATIONS—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, my question is to the Leader of the Government in the Senate, and concerns the serious delay in the government's response to the former employees of Route Canada with respect to the status of their pensions.

During the election campaign, as the leader will recall, the government assured the workers that the issue of their pensions would be resolved following the bankruptcy proceedings concerning Route Canada, formerly Canadian National Express,

that were then before the courts. It is my understanding that that issue has now been concluded.

I should like to know from the Leader of the Government whether or not there are any further matters which are pending with respect to a court action which might stand in the way of a resolution to the growing and difficult pension problem for these people.

Can the leader tell us what the status of this situation is, if she knows? If not, perhaps one day next week she can let us know, and more particularly, the 250 Nova Scotians, former employees of Route Canada, just where that situation now stands.

As honourable senators can well understand, the former employees of Route Canada are very anxious that this situation be resolved. Approximately two or three years have now passed. This is a difficult financial time for many of them.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I understand the honourable senator's frustration and urgency of his concern. I will endeavour to obtain an answer for him next week.

## AUDITOR GENERAL

### DISPUTE WITH DEPARTMENTS OVER UNREPORTED LIABILITIES—GOVERNMENT POLICY

**Hon. Roch Bolduc:** Honourable senators, I have a question for the Honourable Leader of the Government in the Senate. There is a difference of opinion between the Auditor General and the government on unreported liabilities.

In his recent interim report, the Auditor General took the government to task for failing to include any of the potential cost of environmental clean-ups in the Notes to the Financial Statements. This included about $2 billion for cleaning up toxic waste on federal property. I understand that there are approximately 1,000 sites out of 3,000 that might be contaminated, and about $850 million would be Ottawa's share of cleaning up radioactive waste.

In its response, to be found in paragraphs 2.4 and 3.138 of the interim report, the government says that it will not change its accounting practices to record partial costs.

For years, the Auditor General refused to sign off the books of various governments without a qualifying opinion. The Progressive Conservative government became the first government ever in history to get a clean bill of health for its financial statements.

• (1440)

Would the Honourable Leader of the Government report back as to whether there is any danger that this difference over numbers might result in the Auditor General refusing to sign this year's books without a qualifying opinion? Is that clean bill of health about to disappear?

**Hon. Joyce Fairbairn (Leader of the Government):** I would hope not, honourable senators. I will seek information from my colleagues in that regard.

## VETERANS AFFAIRS

### ABORIGINAL VETERANS—REQUEST FOR ACTION ON REPORT OF STANDING SENATE COMMITTEE—GOVERNMENT POSITION

**Hon. A. Raynell Andreychuk:** My question is for the Leader of the Government in the Senate. Earlier today, I made a statement regarding an event that I had attended in Regina for aboriginal veterans. The veterans were impressed that the Senate had unanimously adopted the report of the Aboriginal Peoples Committee, and they asked me to find out from the government when it will be in position to respond to that report.

Their plea was that the response be made as quickly as possible, due to the age of most of the remaining veterans. Since this is a significant time of celebration, they wish an answer from the government to our report. Would the Leader of the Government pass that message on to the government?

**Hon. Joyce Fairbairn (Leader of the Government):** I will indeed do that, honourable senators. I will pass the message on to my colleagues the Minister of Veterans Affairs as well as the Minister of Indian Affairs.

I listened with interest to the honourable senator's statement earlier today. I commend all colleagues who participated in that committee's study. The resulting report was a most important one.

Senator Andreychuk makes the very poignant point that this is a group of people who are at risk. I will do everything in my power to accelerate a response to the report of the committee.

Again, I thank all honourable senators, in particular the chairman of the committee, for not only working on the report but for encouraging participation in such events as the one in which the Honourable Senator Andreychuk took part.

## PRECINCTS OF PARLIAMENT

### CONDITION OF CARPET IN SENATE CHAMBER

**Hon. Raymond J. Perrault:** Honourable senators, I have a very mundane question for the Leader of the Government in the Senate. The entrance to this chamber is in a disgraceful condition. One senator tripped on the frayed carpet yesterday. If it requires a fundraising drive to restore the carpet, I would be glad to head it, but the carpet should not remain in its present condition, namely threadbare, frayed, and worn out. Now is the time to take some action.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I accept the question of my honourable friend. I am distressed to hear that there was some difficulty yesterday. I am sure the Senate staff will have heard the question and will ensure that the matter is rectified. I would prefer not to get into the larger issue of carpet at this point, if you do not mind.

The Senate, as all other institutions, is most conscious of restraints and fiscal responsibility. We did make a conscious decision to defer the refurbishing of our chamber in certain respects; a gesture which was much appreciated. However, we will certainly attempt to keep our facilities in good working order.

**Senator Perrault:** Honourable senators, I thank the Leader of the Government in the Senate for her gracious reply.

I hope there is a remnant of the carpet up in the attic which we can use to get the job done. I have had some amateur experience in laying carpet. I would be glad to do it myself in order to save the Senate some money.

**Senator Fairbairn:** Honourable senators, how could we refuse such a gracious offer? At any rate, I am sure it has been noted, and we will pursue the matter.

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[*Translation*]

# ORDERS OF THE DAY

## BUDGET IMPLEMENTATION BILL, 1995

SECOND READING—DEBATE ADJOURNED

**Hon. Eymard G. Corbin** moved seccond reading of Bill C-76, to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

He said: Honourable senators, I am pleased to have the opportunity to open the debate at second reading on Bill C-76.

The objective of this bill is to implement all of the non-tax measures contained in the February 1995 budget, which is an historic budget for reforms and for renewal.

Thanks to a return to its basic priorities and needs, the government has been able to propose considerable savings in this budget, which will allow it to reach its deficit reduction objectives. The cumulative savings over three years will reach $29 billion, $23.5 billion of which will result from spending cuts. These cuts, honourable senators, were soberly thought out. They go hand in hand with structural reforms which will produce durable and irreversible savings.

[*English*]

As a result of the government's action, by 1996-97, program spending — that is, everything but debt charges — will fall from $120 billion last year to just under $108 billion. Moreover, the debt will no longer be growing faster than the economy; the debt-to-GDP ratio will have begun to decline. From that point, the government will continue to take whatever action is necessary until the deficit is eliminated entirely.

I wish to turn now to the specific elements of the bill before us today, honourable senators. As the provisions of this bill have already been discussed at some length in the other place, I will simply focus on a few highlights.

One of the most important elements of the bill is the reform of transfers to provinces. The federal government wants to create a transfer system that functions better and is fiscally sustainable.

[*Translation*]

The cornerstone of this reform is the replacement, beginning in 1996-97, of established program financing for health and post-secondary education and of the Canada Assistance Plan with a single consolidated block transfer program called the Canada Social Transfer.

The Canada Special Transfer for health and social services is a more flexible and mature approach to federal-provincial relations. However, in the present economic conditions, any new system must also be less expensive than the existing one. That is why, when the Canada Social Transfer becomes fully operational in 1997-98, the aggregate of the main transfers to the provinces will total about $4.5 billion less than what would have been transferred under the existing system.

To keep that in perspective, this reduction in transfers will equal about 3 per cent of aggregate provincial revenues. The federal government has imposed stricter demands upon itself.

[*English*]

• (1450)

Let me turn now to another major area dealt with in this bill, assistance to business. Overall, the government is proposing to cut business subsidies by 60 per cent, including agricultural and transportation subsidies which were designed decades ago. The bill proposes to repeal the Western Grain Transportation Act and to terminate the western grain transportation subsidy paid to railways.

The reform of the Western Grain Transportation Act will result in savings of $2.6 billion over the next five years. It will also encourage the development of value-added processing and the production of higher-value crops. It will result in a more efficient grain handling and transportation system. It will help maintain our market access for grain sales in foreign countries and comply with our obligations under the agreement establishing the World Trade Organization.

A number of further initiatives will facilitate the transition to the new system. These include a payment of $1.6 billion to owners of prairie farmland, plus a $300 million transportation adjustment fund.

The bill also provides for the regulation of maximum freight rates which can be charged by railway companies to move grain from the prairies. During a review in 1999, the Minister of Transport will determine whether these maximum rates should be removed.

[*Translation*]

Honourable senators, the bill also proposes to eliminate the assistance provided under the Atlantic Region Freight Assistance Act and under the Maritime Freight Rates Act. This measure will result in savings of close to $100 million per year. To help ensure that the elimination of these subsidies will contribute to a better transportation system, the government announced in its budget a five-year, $326 million transportation adjustment program.

[*English*]

The measures contained in this bill mark the transition to a more focused, effective and frugal federal government. By the time the 1995 budget actions are fully implemented, federal employment is expected to decline by about 45,000. Because the government appreciates the valuable service that its employees provide, it is committed to managing the reductions in a way which is fair to both the taxpayer and the affected federal employees. The bill, therefore, proposes changes to the Public Sector Compensation Act which will allow for an early departure incentive. Other provisions in this bill will permit more efficient and flexible terms of employment, leave and staffing arrangements.

The bill also includes amendments to the Workforce Adjustment Directive so that surplus employees in "most affected" departments who decline departure incentives will cease to be paid after six months and will be laid off one year after that, unless alternative employment is found. This will give such employees a reasonable, but not indefinite, period to find employment elsewhere in the public service.

[*Translation*]

Honourable senators, the President of the Treasury Board recently reached an agreement in principle with public service unions to help employees affected by the downsizing. The government will, through joint employee-management adjustment committees, help these employees find work outside the public service. The bill before us today is a significant step toward financial responsibility and government renewal in Canada.

Canadians have expressed their support for the budget because they know that it will promote fiscal consolidation, as well as a stronger economy. We have an obligation to Canadians to support a bill which will bring into realization the laudable goals stated in the budget.

Given all these considerations, I urge my friends and colleagues in this house to support the bill.

On motion of Senator Berntson, debate adjourned.

[*English*]

## ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

REPORT OF COMMITTEE—DEBATE CONTINUED

The Senate proceeded to consideration of the Tenth Report of the Standing Senate Committee on Legal and Constitutional Affairs, presented in the Senate earlier this day.

**Hon. Lowell Murray:** Honourable senators, with this bill, the House of Commons will be putting the country to the unnecessary expense and trouble of a new redrawing of electoral boundaries two years after the present process has been started and 90 days from its completion.

If we pass the amendments proposed in the committee report, we will be saying to the House of Commons, "Very well, have your will, have your unnecessary redistribution, but we will not allow you to subject the process to political manipulation, as you are seeking to do in several provisions of this bill."

Thirty years ago, Parliament, acting on the initiative of the Pearson government, finally gave Canadians a redistribution process that they could respect, a process in which they could have some pride and confidence. That process is soundly based on democratic principles. It is independent of partisan politics. It has been marked by fairness and sensitivity. For 30 years it has worked successfully.

The key democratic principle in that process is that each of us as a citizen has a right to an equal share of voting power. That is the primary value enshrined in our redistribution law. It is the highest priority of the process; it is the objective of the process. This principle is explicit in the act. It was reinforced by the Charter of Rights and Freedoms in 1982 and has been further defined in jurisprudence of the Supreme Court of Canada.

• (1500)

Honourable senators, the House of Commons is trying to monkey with that democratic principle in several provisions of this bill. They are trying to tilt the process to serve their own political convenience rather than the democratic principle of voter parity. They are trying to subject this process to manipulation, a process which, for 30 years, has been objective and non-partisan.

In this bill, honourable senators, is a provision whereby 20 members of the House of Commons can challenge, and the House of Commons can ultimately revoke, the appointments made by their independent, elected Speaker to these redistribution commissions.

The Parliamentary Secretary to the Government House Leader in the House of Commons, Mr. Peter Milliken, could not have been more candid than he was in explaining this provision of the bill when he came to our committee. To him, and to the government, this provision is a trade-off. Members of the House

of Commons, under this bill, will no longer have the right to challenge, in committee, the revised maps put forward by the redistribution commissions. As Mr. Milliken told us, they wanted to have an opportunity for some say in who is appointed to the redistribution commission. In other words, if they cannot manipulate the process at the end, they wanted the opportunity to manipulate it at the beginning.

Honourable senators, this provision is wrong. It should not be in the bill. One of our amendments would remove it from the bill.

There is also a provision whereby the decennial redistribution can be cancelled in any province where none of the ridings deviate by more than 25 per cent from the provincial quotient. I dealt with some of the implications of this matter, particularly as it relates to Manitoba and Saskatchewan in the present situation, when I spoke on this bill at second reading. I will not repeat now what I said then. All I can add is that three expert witnesses who appeared before the committee told us that this provision is certain to provoke a constitutional challenge.

Two provisions in the bill blatantly instruct the commissions to give preference to existing riding boundaries. Clause 19(2)(*c*) would permit commissioners to touch existing boundaries only where certain factors are "sufficiently significant." Clause 19(4) defines "community of interest" as including "existing or traditional boundaries." We are moving to delete these provisions. In the case of clause 19(4), we would substitute the definition of "community of interest" recommended by the Lortie Commission.

Finally, our amendments would lower from 25 per cent to 15 per cent the maximum permissible deviation of any riding from the provincial quotient, as recommended by the Lortie Commission. It has been recommended by virtually all of the expert witnesses who have appeared before Commons committees or the Senate committee on this matter. The House of Commons has never quite been able to bite the bullet on this one. I believe we should give them another opportunity to do so. Therefore, in the amendment contained in the report of the committee, we are providing for this reduction from 25 per cent to 15 per cent as the maximum permissible deviation.

Honourable senators, the offending provisions in Bill C-69, the provisions we wish to delete from this bill, would undermine the democratic principles of the act first passed in the 1960s, which the Charter and the courts have reinforced over the years. The offending provisions are contrary to the spirit and the letter of the Royal Commission on Electoral Reform and Party Financing. They have almost no basis of support in the testimony on these matters at House of Commons committees or at Senate committees. They were attacked in virtually every case by the three expert witnesses who appeared before the Standing Senate Committee on Legal and Constitutional Affairs.

Honourable senators, in allowing this bill to go forward in any form, we in the Senate are compliant in an abuse of legislative authority by the House of Commons. This unnecessary redistribution will take place because some Liberal backbenchers and some in other parties over there find the proposed new maps politically inconvenient. That is the reality of the situation.

If the Commons must have its way and launch a new redrawing of the maps, the very least we can do is try to stop them from manipulating and subverting a process which for 30 years has earned the confidence of Canadians for its fairness and independence.

That is the purpose of our amendments, honourable senators.

**Hon. Sharon Carstairs:** Honourable senators, the amendments to this bill were not supported by both parties in this house, in particular by the Liberal senators sitting on the committee. We think the bill, as it presently reads, has merit.

I want to go through some of the comments made by Senator Murray. First, Senator Murray made a plea for a 30-year process that he said was based on the principle of an equal share of voting power. Honourable senators, let us be realistic about what that equal share is. It means that the smallest constituency in the Province of Prince Edward Island has a population of 30,058 people. The largest constituency in the Province of Ontario has a population of 233,302 people. That is hardly equity. The principle is a valid one; it is a good one. However, it is not the only one by which we have, over the decades and over the generations, developed constituency boundaries in this very special nation of ours.

The reality is that we have constitutional limitations in this country. They are powerful and good constitutional limitations. We recognize that our smallest province can never have fewer seats in the House of Commons than it has in this chamber. That is why its populations for individual constituencies are so small.

We also recognize that, particularly in the Province of Ontario and, more specifically, in the city of Toronto and the city of Vancouver, there has been tremendous population growth. Therefore, the number of voters in each of those constituencies has risen rapidly.

In a number of pieces of legislation across the country — I note Manitoba's legislation — distinctions are made. In Manitoba, for example, in the last legislation passed with respect to boundaries, we differentiated between those south of the 53rd parallel and those north of the 53rd parallel. Those south should have a differential of no more than 10 per cent, but those north have a 25 per cent variance, because of their geography and their community of interests.

When the law in Saskatchewan was taken to the Supreme Court of Canada, both the majority and the minority recognized that there would be some discrepancy and that it did not conflict with the Charter of Rights and Freedoms. In fact, Madam Justice McLachlin said:

> Relative parity of voting power is a prime condition of effective representation. Deviations from absolute voter parity, however, may be justified on the grounds of practical impossibility or the provision of more effective representation. Factors of geography, community history, community interests and minority representation may need to be taken into account to ensure that our legislative assemblies effectively represent the diversity of our social mosaic. Beyond this, dilution of one citizen's vote as compared with another's should not be countenanced.

She went on to say that we should, whenever possible, use the concept, but it is not always possible.

Justice Cory, in his dissenting opinion, went on to say, however, with respect to the two northern ridings:

> The creation of the two northern ridings met all the requisite conditions of the *Oakes* test, —

Even though they were over 15 per cent.

> — and was justified under s. 1 of the *Charter*. Geography and demography demonstrated a pressing and substantial need and the creation of these constituencies was rationally connected to the concept that they have effective representation.

We have recognized that equality of one voter for another is not the only condition. I have in my province an extremely large geographical constituency known as Churchill. Churchill is 480,460 square kilometres. It is larger than the entire Province of Newfoundland. It is larger than the maritime provinces put together. If one took all of Nova Scotia and all of New Brunswick and all of P.E.I., the Churchill riding would still be larger. It is four times the size of those three provinces combined. It is 31 per cent the size of Quebec. It is 45 per cent the size of Ontario. It is 73.9 per cent of the size of Manitoba, the province in which it is located. It is 73.6 per cent the size of Saskatchewan. It is 73 per cent the size of Alberta and 51 per cent of the size of British Columbia.

This is an enormous constituency. If it were allowed to continue this way, it would shortly fail to meet the tests of 15 per cent. It has become so enormous because boundaries commissions, over and over again, in my province have insisted on playing as close a part in that role as they possibly could.

I am convinced that in the future Electoral Boundaries Commissions will use the 25 per cent rule judicially, cautiously and carefully, as they have done in the past. Therefore, it does not concern me that that provision would remain part of the legislation.

One of the other amendments proposed is that two members of an Electoral Boundaries Commission should be residents of the province in which the electoral commission is established. Mr. Milliken, the member of Parliament who represented the government before the committee, stated that this was a technical oversight.

Mr. Kingsley, the Electoral Boundaries Commissioner said that he did not believe that it was something we should worry about. He said that it was unlikely that there would ever be the political will in this country for the Speaker to nominate to the Electoral Boundaries Commission of a province people who did not live in that province. I think that is true. No matter what province for which he or she was making recommendations, no one would tolerate someone from outside of that province being given an appointment of that nature.

Another concern of the honourable senators was the sense that the Speaker of the House of Commons could be challenged on the appointments. I read that particular clause differently. I thought that it gave the minority in the House of Commons additional powers. If a Speaker chose to act unwisely and with some partisanship and appointed only people from the majority party, then 20 members of another party could say, "You have shown partisanship and we must hold you accountable. Therefore, we will challenge the individuals that you have put forward". It is a safety factor to ensure that the Speaker only puts forward people who are non-partisan. and would do this job to the very best of their ability, as have boundaries commissioners over and over again in this country for many years.

Senator Murray said that it was wrong for some provinces not to automatically have a decennial census and that this might be challenged. That is true. When asked that question, Professor Fritz said that he thought that was not likely under section 51, that because the Constitution dealt primarily with interboundaries and not intra-boundaries that such a challenge might well not be valid.

However, on the basis of constitutional precedents, if we look at the judgment with regard to the Province of Saskatchewan and the boundary legislation in the Province of Manitoba, violations of the 25 per cent rule or the plus 15 per cent rule were acceptable to the courts.

When the court looks at the decennial legislation, again, it is questionable whether they would be concerned about the intra-provincial boundaries. If we are interested in saving money, what is the point of redrawing boundaries? What is the point of having a boundaries commission, as they did in P.E.I., if they respond and say that there is no need to redraw the boundaries because the population has not moved?

Ask citizens in this country what constituency they live in and most will not be able to tell you, because they change so often. Changes are often necessary because of population shifts, but when they are unnecessary why would we do it? Why would we insist that it be done if it is not necessary?

In my province of Manitoba I have heard from no one. It has been quite public that I have supported this piece of legislation. I have not heard one citizen. I have not heard from an academic. I have heard from no one in my province say, "We want a boundary review. What are you doing supporting this piece of legislation, which will not allow us to make changes in the Province of Manitoba?"

In terms of redefining community interest, the clause that seems to have stuck with members of the committee is the one which talked about present and traditional electoral boundaries as if, somehow or other, "present and traditional electoral boundaries" was a dirty phrase.

Honourable senators will find that the history of most provinces involves electoral boundaries, both traditional and present ones. In committee I spoke about Fort Rouge, a constituency in my province that had existed from 1870 until the last electoral boundary commission decided to toss out the name. Why? It decided that it no longer reflected the people who lived in that constituency, and it did not, because the people were divided into four other constituencies. History will show that there is no such thing as traditional electoral boundaries.

Does it give an advantage to the incumbent? Let us not be naive, the incumbent normally has the advantage. We have seen examples in our political history where that advantage did not hold much sway; 1993 was an example, but to be fair, so was 1958. In the United States 90 per cent of incumbents are returned to the House of Representatives and the Senate, so there is an advantage. However, let us not deny the historical nature of boundaries as they exist. It is not the only condition, nor should it be, although it is a valid one and should be considered.

Honourable senators, the amendments do not enhance this bill. Clearly, the Senate will do what it will do and the House of Commons will then make a decision. I would ask that honourable senators look at the legislation and the amendments in some detail, and evaluate whether or not they enhance the legislation. I think they do not.

**Hon. Pierre Claude Nolin:** What would be the effect of a Speaker being challenged by 20 members of the House of Commons?

**Senator Carstairs:** That is an interesting question. I must say that the other day in committee I made a mistake about the practices of the House of Commons. I stated that the Speaker was challenged, because in my province the Speaker is challenged fairly regularly and I assumed there was a similar rule in this place. Speaker's rulings are probably challenged 20 or 30 times in a session in the Manitoba Legislature and it has no impact on the respect we have for the Speaker. However, in order to avoid such a challenge, the Speaker will ensure that his appointees are good and valid. Therefore, he will not seek to be challenged in such a way.

[*Translation*]

**Senator Nolin:** Honourable senators, I am not an expert on the House of Commons. Many among you are better informed than I am, but it seems to me that there should be a procedure, at any rate, in the House of Commons whereby the Speaker's decision can be contested, whether or not this act makes provision for it. I would like to have the opinion of my colleague, Senator Prud'homme, on the issue, but it seems that including a provision in this bill to allow 20, 25 or 10 members of Parliament to contest the decision of the Speaker of the House could seriously compromise the Speaker's credibility, who only recently began being elected by secret ballot. It seems to me that this is a step towards having a non-partisan Speaker in the House and I think that it is our duty to protect this progress.

**Hon. Marcel Prud'homme:** Honourable senators, I must say that I listened attentively, as we all should, to the statements of the honourable senators.

First, I have difficulty understanding why are we trying to redeem this bill if it is unacceptable. Senator Murray tried to demonstrate and explain the amendments that are being made to this bill, which they neither like nor want.

I am trying my best to believe that, if that is truly the case, the best solution would be to vote against the bill. What is more difficult for me is understanding Senator Carstairs' line of thought. Almost everything she said would lead me to believe that, in reality, not only are the amendments unneeded, but the bill never should have been tabled in the House and we should have stuck with the first bill.

[*English*]

Let the universe unfold. The Liberals know very well how the universe should have unfolded.

I feel sad about this because beating around the bush has never been my forte. We all know the reason for Bill C-18, the Electoral Boundaries Readjustment Suspension Bill. We all know why we are stuck with the amendments that were passed, because of the opposition majority in the Senate. I agreed with the purpose of the discussion. We all know it will eventually be referred to the House of Commons. There is a deadline with respect to this bill.

It is obvious that members of the House of Commons will be vulgar, as they are usually, when talking about the Senate. I can tell honourable senators that I intend to respond, word for word, to every insult that is thrown at us from members of the House of Commons. I was a member of that place for 30 years and never knew that I would end up in the Senate. I was known to be highly respectful of the Senate, because it is an institution of Canada. I am sick and tired of hearing members of the other place insulting us, including those in the majority, but more so in the opposition. From time to time members in the other place should be given a lesson on what this country is all about.

I am opposed to Bill C-69 in its present form and as amended. I was opposed to it, I am opposed to it, and I will be opposed in the end. Honourable senators may ask why. It is because some people in the House of Commons did not do their homework. Some members panicked. It is clear, and they have said so themselves. I will not quote every member who stated that he or she did not like it. Four times the boundaries of my riding were changed. I thought for a while there was a conspiracy to get rid of me. I went to court, where I won and I lost. I won my seat anyway. That is the way it should have been. It started with the Right Honourable Lester B. Pearson. I am a Pearson boy and a Pearson boy I will die. That should be clear, I have said it often enough. It was a good reform process when it was established, and it is still good. There should be no tampering with this bill by members of the House of Commons. Do I make myself clear? They have a vested interest in this bill. We have succeeded over the years with a law that functions well.

New members, for whom I have great sympathy and affection, panic and say, "I am losing my seat." As far as I am concerned, there is no such thing as "my seat." Rather, one should say, "the seat I have the honour to represent."

This country is a country of exceptions. In this regard, I totally agree with Senator Carstairs.

The Honourable Mr. Justice Cory, for whom I have great respect, states:

[*Translation*]

...in exceptional or extraordinary circumstances.

[*English*]

This country is exceptional and extraordinary. New Brunswick should have seven members. They have 10 because they are protected by the Senate. Nova Scotia should have nine members, but they have 11 because of a past redistribution. I need not remind Senator MacEachen that he is the one who arranged to have one more seat in Nova Scotia. They should have nine, but they have 11 because of the Senate. Prince Edward Island has four, when it should have one. They are protected. Someone created an historical grandfather clause so Manitoba and Saskatchewan, which should have 11 seats each, have 14.

• (1530)

We recognize the constitutional, parliamentary and historical elements of the practice. It is a country of exceptions. Why not have 25 per cent, plus or minus? I categorically reject the amendment concerning the 15 per cent because it denies Northern Ontario their due seats. This is a country that has functioned well. It functions well today. It will continue to function well. As I said yesterday on another matter, it is a country in which we have learned to give to each other.

I was chairman of the members' services committee. We allowed more money for geographical and demographical reasons. Everyone is equal in the House of Commons as far as their budget, but some get $20,000 more for geographical reasons, and others get $26,000 more for demographical reasons. That is the way this country functions.

Panic took place in the other place. Because of that panic, people said, "Don't worry, we will scrap the customs." In order to scrap those customs, a new bill would have to be put in place. They invented this monster, Bill C-69, which is before us now. We cannot simply scrap what has functioned well. If we must replace it with something so different, then we must know that it was a good thing to scrap the process in the first place.

If we proceed with Bill C-69, there will be no electoral map ready before June 1997. It is getting worse. Not only will the new commissioners have to produce one proposed map after hearings, they will have to put three maps on the table. Senator Carstairs talked about the confusion this could create. I can certainly understand that confusion.

Is it asking too much of Canadians for them to know the name of the riding in which they live, whether it be municipal or federal? We are spoonfeeding them. They have the responsibility of knowing where they live. They have the responsibility to take part in the political process. Citizenship judges ask new Canadians who their member of Parliament is, who the Governor General is, and who the premier of their province is. We ask that of new Canadians, but it seems that people born in Canada do not need to know the answers to those questions. That is sad.

I take no lessons from the Bloc Québécois in the House of Commons. Senators should be aware of their attack against the Senate. They seek to gain political points in Quebec, so they say we should keep 25 per cent for Quebec. I said that very thing to them this morning in committee. Someone had already insulted the Senate by the time I had arrived. They said, "Senator Prud'homme is here. We will ask him. Did you accept the 25-per-cent clause for Quebec in the Senate?" I said, "No, but I am glad you are in favour of it. You should have accepted Mr. Pierre Elliott Trudeau's Victoria Charter, because he offered 25 per cent forever plus a veto, so thank you very much, friends." I do not think they will ask me any more questions on that issue.

The net effect, honourable senators, is that if we accept the bill, amended or not, there will be no new map before June of 1997. It will cost $4.3 million to redo the same thing that is in existence now. I find that sad.

This morning I was at a meeting of the committee studying the Pearson agreements. To my surprise, it was agreed unanimously — I would have expected a division — to ask the Standing Committee on Internal Economy, Budgets and Administration for $300,000 to do that study. This is after we cut our employees by 4.2 per cent, so we cannot hire staff this summer to replace staff who are on vacation. We are asked to depend on the floating staff who speak only one language. That is not correct. However, there goes $300,000. I hope this will be stopped by the Internal Economy Committee on Tuesday, if not by this house when it comes before us for debate.

If we do not do anything, if this bill dies a natural death by June 22, I understand we will stay with what is already in place. There shall be a new electoral map ready and functioning by no later than December, 1996.

It is written in the Senate chamber that nothing is well ordained that is hasty and precipitate. That is our duty.

Senators Gauthier, Perrault, Bosa and Stewart, who were with me in the House of Commons, have dealt with this issue once before. As young members of Parliament, we were proud to participate in that debate. It was Liberals in action getting away from the manipulators of our time. Thirty years later, we are falling back into the trap of returning to the past. Do not ask me to be part of that process. I respect what I did and what I fought for. What we did was good, and it is sad to have to revert to the old practice. I cannot be part of that.

I do not wish to comment further on the amendments because they will lend credibility to a bill I am against. I am convinced we are putting the Speaker of the House of Commons in an extremely difficult and embarrassing situation. It is a dangerous bill for the Speaker.

• (1540)

Honourable senators, I am sorry to take up your time, but this is our duty. If it was Friday I would be upset for you, but it is only Thursday.

There are things in this bill that trouble me. I am usually cheerful, but something is troubling me about this bill. I do not know if "trouble" means the same in English as it does in French, but I am troubled.

[*Translation*]

First of all, chances are that the Speaker of the House of Commons will see his integrity thrown to members only looking to destroy our country. Is that clear?

[*English*]

They will enjoy this and will challenge it since the Bloc Québécois does not want to have a Canada as we know it — that is, unless they make a deal. Of course, it would be even worse if they were to do that, because it is bound to known. If they do not make a deal and if they do not make a presentation and put no names forward, they will certainly challenge the names put forward by His Honour. This places the Speaker of the House of Commons in an embarrassing position before the House. He is above that.

At this time we need two speakers — the distinguished one here and the distinguished one in the other place. They must be above this danger of being perceived as part of a cabal or part of a redistribution of candidates by appointing people. Therein lies the danger, namely by reopening what is already in existence.

I feel strongly about this. When I feel strongly about something I do not apologize because that is my way of explaining myself. I mean what I say and I believe in what I say.

When Senator Gauthier, the former Liberal Whip in the House of Commons, was stuck he could always depend on me because he knew that I sat on many committees. I was always there. All of them pertained to the same thing. I attended several committees, such as the committee that dealt with integrity, lobbyists, and conflict of interest. Your successor did likewise. On the committee dealing with the Parliament Act I gave up my time during evenings and weekends for one year.

This bill is bad. Will someone bring this to the attention of the other place? I hope that the Leader of the Government in the Senate will do that. It is not too late. We could let the clock go. It is too bad and so sad for those who expect the bill to pass, but if it does not, we will return to what was good. The history of electoral reform was good and we will stick to it.

**The Hon. the Speaker:** It was moved by the Honourable Senator Beaudoin, seconded by the Honourable Senator Murray, that this report be adopted now. Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Carried.

**Senator Prud'homme:** On division!

Motion agreed to and report adopted, on division.

THIRD READING

**The Hon. the Speaker:** When shall this bill, as amended, be read a third time?

**Senator Carstairs:** With leave, now, honourable senators.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Senator Prud'homme:** Again, it is Thursday night. It is unfair to count the bodies in the Senate.

[*Translation*]

**The Hon. the Speaker:** I am sorry to interrupt. Of course, with the permission of the Senate, we can do whatever we please. However, normally, when permission is requested, it is a yes or no question. Again, if the Senate wishes to hear the honourable senators, I certainly have no objections. What does the Senate wish to do? Is it the pleasure of the Senate to hear Senator Prud'homme?

[*English*]

**Senator Prud'homme:** Honourable senators, I have the right to be heard, that is for sure. The question is: Should I or should I not give my consent to third reading? If honourable senators are impatient, I can say "no" and we can study it next week, but I am in the mood to proceed.

The question is not upon third reading; the question is if leave is granted.

**The Hon. the Speaker:** Yes. The question is: Is leave granted?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** With leave of the Senate and notwithstanding rule 58(1)(*b*), it is moved by the Honourable Senator Carstairs, seconded by the Honourable Senator Gauthier, that this bill, as amended, be read a third time now.

Is it your pleasure, honourable senators, to adopt the motion?

**Senator Prud'homme:** I am sorry, Your Honour. I may have misunderstood. Your Honour asked for permission to proceed with third reading, is that right?

**The Hon. the Speaker:** That is correct.

**Senator Prud'homme:** I suppose the question now is: Is there any discussion on third reading?

**The Hon. the Speaker:** The motion for third reading is now under discussion.

**Senator Prud'homme:** There must be a sponsor for this bill. Surely, someone must have something to say on third reading for a major piece of legislation such as this. I like to listen to arguments, but I hear none.

I gather that no one wants to participate in the third reading debate. If you do not, I will.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill, as amended, read third time and passed, on division.

## TRANSPORT

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—DIVERSION OF FUNDS—REQUEST FOR EXAMINATION BY AUDITOR GENERAL OF CANADA—ORDER WITHDRAWN

On the Order:

Resuming the debate on the motion of the Honourable Senator Forrestall, seconded by the Honourable Senator Comeau:

That this House urge the Auditor General of Canada to examine every aspect of the diversion of funds from the Strategic Highway Improvement Program in order to fund the Fleur-de-lis tourist trail in Cape Breton, Nova Scotia, and to report to Parliament on this matter at the earliest opportunity. — (*Honourable Senator Hébert*)

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, events have overtaken the reason for putting this item on the Order Paper. I have a note here from my colleague Senator Forrestall, who has come to believe that this item is now redundant, offering to withdraw it from the Order Paper.

**The Hon. the Speaker:** Is leave granted, honourable senators, to have the item withdrawn?

**Hon. Senators:** Agreed.

Order withdrawn.

## EXPENDITURE MANAGEMENT SYSTEM

MOTION TO AUTHORIZE NATIONAL FINANCE COMMITTEE TO EXAMINE AND REPORT UPON PROGRAMS AND OTHER DOCUMENTS—DEBATE ADJOURNED

**Hon. H.A. Olson**, pursuant to notice of May 4, 1995 moved:

That the Standing Senate Committee on National Finance be authorized to examine and report upon Program Priorities and Expenditures as presented in Departmental Outlook and other public documents emanating from the new Expenditure Management System of the Government of Canada.

• (1550)

He said: Honourable senators, I, too, regret that some anticipated items have caused us to be running later than we expected. I press on with this motion today. It is important to the Senate that this motion be passed or at least that debate begin, so that the matter is addressed before we adjourn for the summer.

This motion arises directly from the government's new expenditure management system which is described in chapter 5 of Part I of the 1995-96 Estimates, as well as in a document released earlier this year by the President of the Treasury Board entitled, *The Expenditure Management System of the Government of Canada.*

The changes included in the new system represent the most fundamental overhaul of expenditure management in the federal government since the Policy and Expenditure Management System, known as PEMS, was introduced in the late 1980s.

The principal aim of the new system is to enable the government to plan and announce publicly its multi-year expenditure targets not simply at an aggregate level but also for individual departments and agencies. The so-called authorized spending levels, while subject to modifications in the planning process in future budgets, provide a detailed picture of the government's intentions regarding the control of expenditures and the reduction and elimination of the budgetary deficit over a three-year planning period.

Honourable senators will have already observed that chapter 6 of the budget of February 27, 1995, entitled, "Profile of the Federal Departmental Spending", presents authorized spending levels by ministry, and in some cases, by individual department and agency for 1995-96, 1996-97 and 1997-98 fiscal years.

An important part of this long-range expenditure planning is that existing programs and delivery systems will be scrutinized on an ongoing basis to determine whether they remain efficient and effective.

Under the new system, there are no longer any central policy reserves. Consequently, the appropriations requested in the Main Estimates should be viewed as approved ceilings on the resource levels available to ministers and departments.

One likely consequence for the Senate and the National Finance Committee is that the Supplementary Estimates will include few, if any, requests for new funds and more proposals to transfer funds from one vote to another within departments. Indeed the description of the new system states that "all new initiatives, as well as cost increases in existing programs, will be financed through reallocations from lower-priority programs". The only exception will be for statutory programs such as transfer payments for which unanticipated cost overruns caused by changing economic and demographic conditions will be covered by a contingency reserve controlled by the Minister of Finance.

Decisions on new initiatives and spending reallocations required to finance them will normally occur during the budget and expenditure planning process. Parliamentarians and Canadians will be consulted and their input solicited during this process.

Each year following the presentation of the budget and the tabling of the Main Estimates, departments and agencies will prepare business plans for submission to the Treasury Board and will set out their detailed strategies for achieving the government priorities and expenditure targets announced in the budget.

While these business plans will be confidential documents, the departments will prepare summaries of the plans known as "Outlook on Program Priorities" for public release. The outlook will describe the key strategies that departments will pursue to

adapt to the financial and policy environment and will be provided to the standing committees of the House of Commons. It does not say the Senate, though.

The committees will use the departmental outlooks as the starting points for their reviews of future expenditure trends and priorities and past performance in the context of their examination of the estimates. They will report their conclusions before the end of June as part of the budget and expenditure planning cycle.

Decisions on new initiatives and spending reallocations required to finance them will normally occur during the budget-planning process rather than on an *ad hoc* basis at any time of the fiscal year.

Of particular interest to the National Finance Committee is the emphasis in the new expenditure management system on improved information and accountability. A process has been launched by the Treasury Board to revise the form and content of the Estimates, particularly of Part III documents that provide the expenditure plans of departments and agencies.

Your committee has noted over the years that the information on program effectiveness in Part III tends to be incomplete and of very uneven quality.

Departments will now be expected to strengthen their evaluation practices significantly to meet the need for informed reviews of existing programs and decisions on the reallocation of resources.

As well, the evaluation plans and the results of program evaluations will be made available to parliamentarians and the public. In its 1991 report, *The Program Evaluation System of the Government of Canada*, the National Finance Committee called for improvements to the evaluation practices and for a more sympathetic use of evaluation information in decisions on the allocation of resources to programs and departments.

Honourable senators will note in my comments that, despite the long history of the National Finance Committee in examining the Estimates and its important role in studying questions of the government's financial accountability to Parliament, the descriptions of the new expenditure management system are silent on the roles of the committee and, indeed, of the Senate.

Since the terms "House of Commons standing committees" and "parliamentary committees" are used interchangeably, I believe this omission should be regarded as a bureaucratic oversight rather than part of some conspiracy to eliminate the Senate from the process.

In the course of its review on the Main Estimates, your committee may well decide to address questions to ministers and officials regarding the authorized spending levels for future years that were published in the 1995 budget. I, therefore, urge honourable senators to support this motion which will enable the committee to examine future program priorities and expenditures on a more systematic way using the departmental outlooks and other public documents emanating from the new expenditure management system.

Honourable senators, in conclusion, this is not entirely new. This was tried in 1979, very briefly, by Minister de Cotret in the Clark government. It was followed in the Trudeau government by the set-up of the so-called envelope system. There were allocations and reallocations on both policy and, indeed, funding in many respects during that period. Of course, it was discontinued in 1984 by the Turner government.

In my view, it was an extremely useful process because it gave an opportunity for parliamentarians to examine, along with senior bureaucrats in all departments, the expenditure programs and planning.

The important part here, though, is that when they went to this system, they simply left the Senate out. That is the reason for my motion. If other members do not pick up on this attempt to have the matter sent to the Senate for examination by the National Finance Committee, well so be it. I cannot help that. You either support it or you do not.

It must be drawn to the attention of honourable senators that, in an otherwise good process, someone forgot that the Senate is an important part of Parliament in this new program review system.

The motion is before honourable senators. Do with it as you will. It might be a good idea to remember that we have a function to perform.

On motion of Senator Berntson, debate adjourned.

The Senate adjourned until Tuesday, June 13, 1995, at 2 p.m.

# THE SENATE

**Tuesday, June 13, 1995.**

The Senate met at 2:00 p.m., the Speaker in the Chair.

## SENATORS' STATEMENTS

### FIREARMS LEGISLATION

#### COMMENTS MADE IN HOUSE OF COMMONS

**Hon. Ron Ghitter:** Honourable senators, you will be happy to know that, inasmuch as Bill C-68 will be coming to us very shortly, this will be the last time that I will rise in this chamber to remind you of some of the comments that have been made about this legislation in the other place.

Today I am reading from the House of Commons debates of March 28, 1995. Rex Crawford, a Liberal member, as reported at page 11105 of *House of Commons Debates*, stated:

> I also want to congratulate the whip and Minister of Justice for enabling me to put my views on the record. It is a good sign that members of the government with a different view can join the debate.
>
> I want to put my perspective, my point of view and my bias on the table. I am a gun owner and have been for over 50 years. I bought my first gun when I was between eight and nine. I am a gun collector and have been for over 30 years....
>
> We are the many thousands of legitimate law-abiding safety conscious and honest citizens. I and other gun owners applaud two of the four principal aspects of Bill C-68. I totally support the first one on criminal sanctions. It is well known that Canada already has some of the toughest gun laws in the world. The justice system does not enforce the laws we already have on the books....
>
> With respect to registration some have made the statement in the House that cars are registered and have asked: Why not guns? We are comparing apples with oranges. It is the same as the lady in California who drove down a sidewalk killing 19 and maiming two dozen people. The car was registered. Should any further models of the car be removed from production?....
>
> The minister stated that in rural areas there have been quite a few suicides committed with guns. Who is to blame? I blame the government. I know of several suicides which occurred when interest rates rose to over 24 per cent and young families could not compete....
>
> Along with my own personal sincerely held views, I will be voting against the piece of legislation. I should like to take a minute to quote a letter:
>
> I wish to take this opportunity to thank you for all your help in the past. Whenever I have come to you with a problem or concern you were always there to offer support and assistance. Although we believe that you have been, and continue to be, the best candidate to represent this area, I can not in all good conscience support your party in the next election.
>
> I have received hundreds of such letters.

I now wish to quote Mr. Leonard Hopkins from Renfrew—Nipissing—Pembroke. In the last of his comments, as reported at page 11115 in *House of Commons Debates*, he stated:

> I have voted over 2,000 times in the House of Commons and on only one occasion have I voted against the government. If further changes are not made to this legislation, I am afraid I am going to have to see the second time that I will vote against my own government. That does not sit well with me personally because I am a loyalist and a constructive worker trying to get things done. I do not want to vote against this bill, but if I must, I will. My constituents are not part of the problem with their hunting and their sports clubs that operate throughout the area.

**Hon. H.A. Olson:** Honourable senators, surely Senator Ghitter knows that making extended quotations from the debates of the other house is absolutely against the rules here — at least, I hope he knows that. If he does not, he should look it up in the *Rules of the Senate of Canada.*

• (1410)

**Senator Ghitter:** Honourable senators, I am glad to be advised of that at this point in time, and I promise not to do it again on Bill C-68.

### THE LATE CHARLES STEWART ALMON RITCHIE

#### TRIBUTE

**Hon. Finlay MacDonald:** Honourable senators, I would like to say a few words about Charles Ritchie. He was our ambassador to West Germany. He was our ambassador to the United States. He was our high commissioner in London. He was our permanent representative to the United Nations and to the North Atlantic Treaty Organization. His funeral was last Saturday, in Ottawa. He was 88.

Charles Ritchie was the quintessential diplomat, joining Canada's foreign service in 1934 as part of a team that was, at that time, and still is, considered to be the golden age of Canadian international activity in the 1950s and 1960s.

I first met Charles Ritchie in London during the war, in 1944 at a reception for army officers at the Canadian High Commission. Vincent Massey was our high commissioner. Lester Pearson was our first secretary. Charles Ritchie was the second secretary. The military attaché was General Georges Vanier.

I last saw Charles Ritchie one month ago when we both anticipated our plans for Chester, Nova Scotia, where, as neighbours, we spent our summers together. It will not be the same without him.

Charles loved the social life and, as you would expect, he was very much in demand, He was a natural raconteur, unpretentious, elegant, always friendly, ever sincere, charmingly diplomatic, with a magnificent sense of fun.

For those of you who have not read his diaries, you owe it to yourselves to seek them out. He began writing as a hobby after he retired from the public service and completed four books: *The Siren Years, Diplomatic Passports, Storm Signals*, and *An Appetite For Life*. In those four diaries he revealed that he was that rarest of treasures, a man whose public and private life had been very much worth the living.

I send my sympathies to his wife, Sylvia, and his niece, Elizabeth.

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# ROUTINE PROCEEDINGS

## FARM IMPROVEMENT AND MARKETING COOPERATIVES LOANS ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Dan Hays**, Chairman of the Standing Senate Committee on Agriculture and Forestry, presented the following report:

Tuesday, June 13, 1995

The Standing Senate Committee on Agriculture and Forestry has the honour to present its

SEVENTH REPORT

Your Committee, to which was referred Bill C-75, An Act to amend the Farm Improvement and Marketing Cooperatives Loans Act, has, in obedience to the Order of Reference of Wednesday, June 7, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

Daniel Hays
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Hays, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## PEARSON AIRPORT AGREEMENTS

FIRST REPORT OF SPECIAL COMMITTEE PRESENTED

**Hon. Finlay MacDonald,** Chairman of the Special Senate Committee on Pearson Airport Agreements, presented the following report:

Tuesday, June 13, 1995

The Special Committee of the Senate on the Pearson Airport Agreements has the honour to present its

FIRST REPORT

Your Committee, which was authorized by the Senate on Thursday, May 4, 1995 to examine and report upon all matters concerning the policies and negotiations leading up to, and including, the agreements respecting the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport and the circumstances relating to the cancellation thereof, respectfully requests the approval of its budget application.

Pursuant to Section 2:07 of the *Procedural Guidelines for the Financial Operation of Senate Committees*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

FINLAY MACDONALD
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator MacDonald, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, June 14, 1995 at one thirty o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## TELECOMMUNICATIONS

TRANSPORT AND COMMUNICATIONS COMMITTEE AUTHORIZED TO PERMIT ELECTRONIC COVERAGE OF PROCEEDINGS

**Hon. Donald H. Oliver:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

> That the Senate do empower the Standing Senate Committee on Transport and Communications to permit coverage by the electronic media of its public meetings with respect to its special study of Canada's international competitive position in telecommunications, with the least possible disruption of the hearings.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

[*Translation*]

## LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Hon. Gérald-A. Beaudoin:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*a*), I move:

> That the Standing Senate Committee on Legal and Constitutional Affairs have the power to sit at 2:30 p.m. tomorrow, June 14, 1995, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Is leave granted?

**Hon. Marcel Prud'homme:** Honourable senators, I have nothing against this committee in particular. It is just that there are more and more committees sitting or requesting permission to sit at the same time as the Senate.

Last week, very important, I repeat very important, legislation was discussed in the Senate, and several senators could not participate in the debate here because they attended committee meetings at the same time. I will grant leave, but I think this is setting a dangerous precedent.

**The Hon. the Speaker:** Senator Prud'homme, you could make this point once the motion is open for debate. At this stage, it is only a matter of knowing whether leave is granted or not.

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** With leave of the Senate and notwithstanding rule 58(1)(*a*), it was moved by the Honourable Senator Beaudoin, seconded by the Honourable Senator Bolduc:

> That the Standing Senate Committee on Legal and Constitutional Affairs have the power to sit at 2:30 p.m. tomorrow, June 14, 1995, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

Senator Prud'homme, do you wish to speak?

**Senator Prud'homme:** Without repeating what I just said, I certainly have no intention of targeting one of the Senate's most active committees, but the fact remains that this is an increasingly dangerous precedent.

Very serious issues are debated in the Senate, and I notice that, while many senators attend the Senate, not enough participate in these important debates. Before this session is over, very important bills will be sent our way and very important decisions will have to be made. For example, the debate on the budget of the special committee to review the Pearson Airport contracts will be held tomorrow, since our distinguished chairman, Senator MacDonald, has given notice to that effect.

I would hope that the honourable senators will attend to watch, listen and allow themselves to be swayed, unless there is nothing more to say and all that is left to do is vote, in which case I do not see the point of researching issues and trying to convince the honourable senators that our arguments are well founded. This does not mean that what we say has to be what is ultimately decided.

Leave will no doubt be granted. I am sure Senator Beaudoin is not requesting this leave for no reason. Nonetheless, this is a dangerous precedent and I wish that this power of the Senate not be abused, but rather, reserved for urgent and very specific matters.

• (1420)

**Senator Beaudoin:** Honourable senators, I will respond. I do not think that the Legal Affairs Committee has abused this power in the past. This is the first time I have asked for leave. Our witness has to rush back home tomorrow afternoon and, since he has testified three times before us, I think that, under the circumstances, we owe him the courtesy of this special leave, honourable senators.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Some Hon. Senators:** Agreed.

Motion agreed to.

[*English*]

## FUTURE OF AGRICULTURE IN CANADA

COMMITTEE AUTHORIZED TO POSTPONE DATE OF FINAL REPORT

**Hon. Dan Hays** with leave of the Senate and notwithstanding rule 58(1)(*f*), moved:

That notwithstanding the order of the Senate adopted on Tuesday, March 21, 1995, the Standing Senate Committee on Agriculture and Forestry, which was authorized to continue its special study on the future of agriculture in Canada, be empowered to present its report no later than August 31, 1995, and

That notwithstanding usual practices, if the Senate is not sitting when the final report of the committee is completed, the committee shall deposit its report with the Clerk of the Senate, and the said report shall thereupon be deemed to have been tabled in this chamber.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

### FIREARMS BILL

PRESENTATION OF PETITIONS

**Hon. Donald H. Oliver:** Honourable senators, I have the honour to present a petition signed by several dozen people from the Province of Nova Scotia which states:

The petition of the undersigned citizens of Canada humbly showeth that Bill C-68, a bill concerning firearms and other weapons, is unwarranted and intrusive legislation which needlessly targets law abiding firearms owners and which attacks the very foundation of the democratic principles of this country.

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## QUESTION PERIOD

### FOREIGN AFFAIRS

G-7 SUMMIT IN HALIFAX—POSITION PAPER NOT SUBMITTED FOR PARLIAMENTARY DEBATE—GOVERNMENT POSITION

**Hon. Gérald J. Comeau:** Honourable senators, my question is for the Leader of the Government in the Senate, and is in relation to the G-7 summit being held this week in my home province of Nova Scotia.

Many will recall the statement made by Senator MacEachen on May 11, when he reminded this chamber of one of the recommendations of the Special Joint Committee Reviewing Canada's Foreign Policy. That recommendation called on the government to prepare a position paper on issues that will be addressed at the summit, and to debate it in Parliament prior to the G-7 leaders meeting. In particular, that committee was anxious to look at Canada's strategy on the issue of international financial institutions.

Although I realize that the Standing Senate Committee on Foreign Affairs is meeting this week and that the topic of discussion is the Halifax summit, I do not believe that this would constitute the level of debate that Senator MacEachen had envisioned.

Can the Leader of the Government in the Senate please advise why Canada's position at the G-7 summit has not been the subject of parliamentary debate, as requested by her colleague?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I understand that the Foreign Affairs Committee will be meeting tomorrow afternoon and will be hearing a report on this matter. I would agree with my honourable friend, and with Senator MacEachen, that it is late in the day to be receiving this type of briefing. Nonetheless, that briefing will take place, and I hope that there will be a full discussion and that interested senators will be able to put their questions and receive answers through this encounter.

**Senator Comeau:** As an example, we have seen a copy of a final communiqué that dealt with deficit employment. Could it be that the government has already decided on its position, and wished to avoid having to debate it in Parliament?

**Senator Fairbairn:** No, I do not believe it could be taken that way. Obviously a great deal of background planning is done for these meetings. The final position of governments will come out as the meetings progress in Halifax.

### NATIONAL DEFENCE

INITIATIVE OF NATO CONCERNING PEACEKEEPING IN BOSNIA—PARTICIPATION BY CANADIAN ARMED FORCES—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, my question is for the Leader of the Government in the Senate, and concerns Canada's role in the war in Bosnia.

Will the Leader of the Government in the Senate confirm whether or not the government has, in fact, taken a decision with regard to participating in the United Nations' Rapid Deployment Action Force and in the Canadian-named COBRA operation, under NATO's Operation Determined Effort?

If the Leader of the Government can confirm that a decision has been taken in that matter, can she then explain why this decision was taken without some form of parliamentary debate?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the government has made no decision on joining the rapid reaction force, and any reports to the contrary are incorrect.

**Senator Forrestall:** Honourable senators, I assume that the leader is indicating to us that no decision has yet been taken.

TRAINING OF FIRST MECHANICAL BRIGADE FOR NATO EXERCISES—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Will the Leader of the Government answer a question concerning the First Mechanical Brigade? Can she confirm whether or not that brigade, which is

based in Edmonton, is currently training to assist in the NATO operations, and will be ready to undertake specific duties as of July 1? Will this operation include, for example, the use of some 2,650 ground forces personnel and 12 Hercules, as well as a Canadian naval supply vessel?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable Senators, I will seek further information from the Minister of National Defence. Although Canada is not a member of the contact group of countries which have been meeting non-stop on some of these questions, our Minister of National Defence has been in Europe and has been part of the discussions there.

• (1430)

Canada, of course, has been making a major contribution to the situation in the former Yugoslavia and is looking at the options that may come forward. In addition, the Canadian government, like all other governments involved in that area, has been part of the discussions on possible needs, should the situation occur that we would be involved in withdrawal processes. However, making a decision on anything of that nature is completely premature.

The discussions continue in the former Yugoslavia on the diplomatic front as well as on the rapid reaction force, and Canada, at this point in time, has not made a decision.

[*Translation*]

PEACEKEEPING IN BOSNIA—POSSIBILITY OF INCREASING SIZE OF FORCE—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, my question is supplementary to that of Senator Forrestall. Before putting my question to the Leader of the Government in the Senate, I will take this opportunity to formulate a short preamble.

Last week, the Honourable Jean Charest, Leader of the Progressive Conservative Party of Canada, asked your colleague, the Minister of National Defence, for a briefing session on the increase in the number of Canadian peacekeepers in Bosnia.

The Defence Minister had the Honourable Jean Charest briefed by members of the military and by his legislative assistant, a member of the minister's office, who is supposed to know about the latest policies and to keep abreast of any developments in his minister's position.

During that meeting, CF members told Mr. Charest — and the defence minister's legislative assistant confirmed — that the Canadian government had made the decision to send additional troops to Bosnia.

Did the legislative assistant lie to Mr. Charest or did Minister Collenette knowingly mislead Mr. Charest when that information was provided to him last week?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, obviously I cannot comment on any meetings or briefings that were conducted with the leader of the honourable senator's party at which I was not present.

My understanding is that Canada has made no decision in terms of increasing the size of that force. I would be very pleased to talk to the Minister of National Defence and find out from him exactly what is the position of the Canadian government on that matter.

**Senator Nolin:** The decision of the government on the involvement of the Canadian Armed Forces in Bosnia will be official by the end of the G-7 meetings in Halifax. Will that decision be made public during the meetings in Halifax?

**Senator Fairbairn:** Honourable senators, I cannot answer that question. I will check with the Minister of National Defence. In any event, the Bosnian issue will be of considerable interest and discussion at that meeting. Whether announcements of any decisions would come from that particular meeting, I cannot say at this time. As has been made clear, the Canadian government is supportive of that operation, but has not yet made a decision as to our own particular situation vis-à-vis the size of our force. Whether any such decision on that matter will be made public in Halifax, I cannot say.

[*Translation*]

## FEDERAL-PROVINCIAL RELATIONS

CONDUCT OF SECURITY SERVICES IN QUEBEC—GOVERNMENT OPERATIONS

**Hon. Marcel Prud'homme:** Honourable senators, we all know that the next few months will be a very busy period in Canada, following the regrouping of the separatist forces, as they should be called, and the signature this past weekend, of their agreement, which we saw on television. From now on, each move made by the federal government will be very closely scrutinized.

Last evening, Mr. Lester said on CBC's French network Radio-Canada, that at one time, the RCMP infiltrated Radio-Canada to listen to the various political opinions expressed inside the network.

[*English*]

In dealing with the RCMP at that time, it seemed that it was necessary for everyone to speak English. They even had the gall to translate an interview with Michèle Tisseyre into English so that the exchange could be understood. Anyone who knows Michèle Tisseyre knows that she would not have said anything detrimental to Canada. It would be like accusing Senator Roux of having made himself available to the separatist forces in the old days. I consider those individuals two of the great pillars of federalism in Canada.

In view of this very disturbing news of what took place at the same time as the other unfortunate events leading to the election of the Parti Québécois in 1976, will the minister give assurance to this house that she will convey to cabinet, in the most vigorous terms, the message that from now on every gesture of the security services of Canada should be under the strictest control, and that they should be given absolute directives. They could be given strict instructions that, while still remaining at arm's length, they should keep within the law of Canada.

Too many bad events took place in the old days, and we are all aware of them. If there is a debate, I will express my views on all of them. Some of us know a little more about those issues than do others, especially those of us who sat in the House of Commons during those days.

Will the minister give us her absolute assurance that there will be supervision of who should and should not work at the French network of the CBC, and who is saying what in the corridor? For those of you who may be hearing about this matter for the first time, it is quite the news item of the day, and action must be taken to ensure that this type of event will not take place again in any way, shape or form.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am at a disadvantage with my honourable friend because I am not aware of the broadcast of last night. I will make myself aware of it, and I will draw my honourable friend's comments in this house to the attention of my colleagues.

## ENVIRONMENT

### CANCELLATION OF REPORT ON STATE OF ENVIRONMENT—POSSIBILITY OF DISCUSSION ON SUSTAINABLE DEVELOPMENT AT G-7 SUMMIT—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, Sheila Copps, the Deputy Prime Minister and Minister of the Environment, delivered a speech at Columbia University in late April. In that speech she stated, "In the year and a half that I have been environment minister, I have been hard pressed to find a pro-environment question asked by the English-speaking opposition in Canada." I presume she was speaking of the House of Commons. However, I am not sure what she meant by "a pro-environment question."

To err on the side of caution, I would like to pose a couple of questions for the honourable minister: First, why did the minister allow the report on the state of Canada's environment to be among the budget cuts? Had the government then made a judgment that we do not need to know the state of our environment? What will replace this report, and who has been assigned to do that work?

Second, has the Deputy Prime Minister used her good offices to ensure discussion of sustainable development at the upcoming meeting of the G-7 countries?

• (1440)

**Hon. Joyce Fairbairn (Leader of the Government):** In answer to Senator Spivak's question, honourable senators, I am sure that the Deputy Prime Minister, the Minister of the Environment, was referring to the opposition in the House of Commons, the other place. She knows that there is not a lack of questions in this house on environmental issues, thanks primarily to my honourable friend. I will remind my colleague of this matter as I relay my honourable friend's questions to her.

## NATIONAL DEFENCE

### PEACEKEEPING IN BOSNIA—REQUEST FOR PARLIAMENTARY DEBATE ON INCREASE IN SIZE OF FORCE—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, I should like to return to the series of questions and responses that started Question Period today, having to do with Canada's plans with respect to Bosnia.

We all know that the House will adjourn on June 23 for the summer. The Senate will be away the following week, apparently, and then back for a week to clean up work sent to us from the other place.

Would the leader take a moment to reflect upon the seriousness of Canada sending troops into what has now become a ferocious war zone without the benefit of debate in the two chambers of Parliament?

We have had many experiences over my short lifetime of failing to take advantage of opportunities to debate issues. We must then live with the regret that we did not discuss these matters beforehand. Will the Leader of the Government in the Senate impress upon her colleagues in the government the urgency and necessity of public debate in the two parliamentary fora before the summer break?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, decisions to do with the future and continuing involvement in Bosnia are of deep importance and concern to the Canadian people, to Parliament, to the government and to the Prime Minister. A number of debates called "take note debates" in the House of Commons relating to this issue have occurred over past months. Indeed, there was a discussion two weeks ago.

A debate and discussion of this nature would certainly be welcome in the Senate. I would encourage such a discussion as events unfold.

As far as the other place is concerned, I will again draw this matter to the attention of my colleagues. There has been a great openness to discussion on this issue in the other place, to draw from the views of members. I am sure we could facilitate a similar discussion in this chamber.

**Senator Forrestall:** By way of a supplementary question, should the government exercise its option and choose the venue of the G-7 discussions in Halifax to make announcements to the extent suggested, could the Leader of the Government in the Senate and the Deputy House Leader cause such discussion or debate to take place before we adjourn for the summer, even if for only one day?

**Senator Fairbairn:** Honourable senators, I would be happy to discuss that proposal with my honourable friend and the leadership opposite. Senator Forrestall will know that the inquiry procedure can be used as well in this house, but I would be more than pleased to discuss this possibility with the leadership on the other side.

## FOREIGN AFFAIRS

### RETURN TO DEMOCRACY IN NIGERIA— EFFORTS OF DEPARTMENT

**Hon. Noël A. Kinsella:** Honourable senators, those Canadians who are keeping a watch on foreign policy and human rights were pleased with the government's announcement on the weekend, through the Canadian embassy in Lagos, Nigeria, to the effect that the Department of External Affairs has expressed concern with the slow pace of return to democratization in Nigeria. When things are moving in the right direction, we wish to underscore that fact.

However, the Minister of Foreign Affairs has stated that Canada would consider ways to help persuade the military government of that country to return more speedily to democratization. Could the Leader of the Government in the Senate share with us what some of those measures might be?

Second, while we are pleased to see this creative and proactive approach in viewing human rights principles and foreign policy by the government, one also needs to ask whether there is a double standard here. While we are prepared to take such action in a country such as Nigeria, we seem to be reticent to do the same with a country such as China.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to speak with my colleague Mr. Ouellet on the precise question raised by my honourable friend today. I reiterate to my friend what I have said a number of times before: that the question of human rights has been raised with the Chinese by the Prime Minister and other ministers.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on March 2, 1995 by the Honourable Senator Comeau regarding the Atlantic Canada Opportunities Agency; a response to a question raised in the Senate on March 21, 1995 by the Honourable Senator Comeau regarding the Atlantic Canada Opportunities Agency; a response to a question raised in the Senate on April 5, 1995 by the Honourable Senator Forrestall regarding the national highway standards for truck safety; and a response to a question raised in the Senate on March 29, 1995 by the Honourable Senator Comeau regarding the Atlantic Canada Opportunities Agency.

I should note, honourable senators, that this last question asked by Senator Comeau requested a list of the projects funded by the Atlantic Canada Opportunities Agency between a given date in 1993 and another date in 1994. It is similar to a question asked in the House of Commons. I am tabling the answer that was given at that particular time because it is exactly the same.

I have a response to a question raised in the Senate on May 11, 1995 by the Honourable Senator Murray regarding the Budget Implementation Bill, 1995.

## THE BUDGET 1995

### INEQUALITY IN FUNDING TREATMENTS OF ATLANTIC AGENCIES

*(Response to question raised by Hon. Gerald J. Comeau on March 2, 1995)*

Enterprise Cape Breton Corporation's base parliamentary appropriation stood at $9,038,000 for 1995/96. This amount will be reduced by 28%, or $2,530,640, over the next three years, starting April 1, 1995, as a result of the February 27 budget.

The $7.2 million increase cited in ECBC's Main Estimates reflects a one-time transfer of funds from ACOA in the amount of $8.5 million, and refers to the 1995/96 fiscal year only.

In June, 1994, Treasury Board approved this transfer of funds from ACOA to ECBC, to assist the Corporation in the funding of various strategic initiatives designed to address economic conditions in Cape Breton further exacerbated by the downturn in the fishery.

When the transfer was approved, ECBC's parliamentary appropriations stood at $10,362,000 for fiscal 1994/95. Subsequent reductions (in grants and contributions and in administrative costs) brought the parliamentary appropriations to $9,038,000 for 1995/96. (This reduction in the actual reference level — $1,324,000 — accounts for the discrepancy between the $8.5 million transfer and the $7.2 increase cited in ECBC's Main Estimates).

## ATLANTIC CANADA OPPORTUNITIES AGENCY

### CUTS BY MINISTER TO NATIONAL DEFENCE ADJUSTMENT FUND—GOVERNMENT RESPONSE

*(Response to question raised by Hon. Gerald J. Comeau on March 21, 1995)*

On April 11, 1995, the Minister for the Atlantic Canada Opportunities Agency (ACOA) confirmed that the Base Closure Adjustment Program would be maintained at its original $30 million value. This will be achieved through savings identified in other areas of Agency programming over the next three years.

## TRANSPORT

STRENGTHENING NATIONAL HIGHWAY STANDARDS FOR TRUCK SAFETY—GOVERNMENT POSITION

*(Response to question raised by Hon. J. Michael Forrestall on April 5, 1995)*

Under the Motor Vehicle Safety Act, Transport Canada sets safety standards for new vehicles manufactured in, or imported into Canada. In this regard, there is already an extensive set of regulations governing many aspects of heavy truck design and manufacture.

These regulations are currently being strengthened in the areas of conspicuity markings, automatic brake slack adjusters, anti-lock brake and stopping distance, and cargo tie-down requirements. The earliest of these are expected to be published in a few months, with some expected by the end of the year.

It should be noted that, from information available to federal and provincial officials on the recent heavy truck incidents, the problem of wheel detachments is not the fault of the wheel design or construction but of poor maintenance, or operating practices including overloading, or a combination of these misuses. These matters fall within provincial jurisdiction. Several provinces have substantially increased monitoring and inspection procedures in this regard.

## ATLANTIC CANADA OPPORTUNITIES AGENCY

REQUEST FOR INFORMATION ON PROJECTS

*(Response to question raised by Hon. Gérald J. Comeau on March 29, 1995)*

The information sought by Senator Comeau on March 29, 1995, namely a list of the projects funded by the Atlantic Canada Opportunities Agency between November 4, 1993 and October 7, 1994, was tabled in the House of Commons on April 6, 1995.

## BUDGET IMPLEMENTATION BILL, 1995

PROPOSED AMENDMENTS TO REFLECT NATIONAL STANDARDS—REQUEST FOR PARTICULARS

*(Response to question raised by Hon. Lowell Murray on May 11, 1995)*

The amendments which Mr. Martin referred to were introduced in the House of Commons Standing Committee on Finance on May 18 and subsequently adopted when Bill C-76 was reported to the House. They are incorporated in the Bill passed by the House on June 6.

These amendments made slight changes to the way the purpose of the Canada Health and Social Transfer (CHST) was described. They were intended to address concerns raised by the Official Opposition by removing any ambiguity about the purpose of the CHST.

Specifically, the amendments:

- changed the description of the Canada Health Act in this bill to make it more closely follow the language of the Canada Health Act itself;
- made it clearer that the social assistance mobility condition is a legislated standard in this bill, which is not the case for shared principles and objectives arising from the consultation process to be led by the Minister of Human Resources Development;
- ensured that the reference to "mutual consent" which the Minister of Human Resources Development will seek in his consultations with provinces is described in the same manner in both French and English;
- made the English and French versions of the Bill more parallel in terms of presentation in paragraphs.

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# ORDERS OF THE DAY

## PRIVILEGES, STANDING RULES AND ORDERS

POINT OF ORDER

**Hon. Eymard G. Corbin:** Honourable senators, I rise on a point of order. Honourable senators will recall that, on June 5, I gave notice that I would rise to raise a question of privilege regarding an entry in the *Minutes of the Proceedings of the Senate* concerning the tabling of a report by the Standing Committee on Privileges, Standing Rules and Orders inasmuch as the Senate, in my opinion, has improperly adopted a suggestion from that committee in the sense that it has not been done in accordance with the required forms of the Senate. In stating that I rise on a point of order, I am transforming my question of privilege to a point of order. I should like to state briefly what the point of order is all about.

• (1450)

I remind honourable senators that, on May 25, the Honourable Brenda Robertson rose in the Senate and, with leave of the Senate, and notwithstanding rule 58(1)(*f*), moved:

> That the Standing Committee on Privileges, Standing Rules and Orders be authorized to act jointly with the House of Commons Standing Committee on Procedure and House Affairs with regard to its examination of the rules and practices governing the operation of joint committees.

Leave was granted, and the motion was agreed to.

I was present in the house when this proceeding took place, and it took place rather rapidly. No explanations were given as to the reasons behind that request, so I thought I should inquire by way of an examination of the deliberations and the proceedings of the Standing Committee on Privileges, Standing Rules and Orders.

The only relevant passage that I could find was contained in the proceedings of that committee dated May 4, 1995 on page 8:5. I wish to quote these two brief paragraphs, as I believe they are relevant to my point of order. The chair, Senator Robertson, was reporting on the deliberations of the steering committee of that committee, and she said:

> We talked about the informal committee with the House of Commons. I have a letter from Mr. Milliken in that regard. They want an informal committee struck on the joint committee problems brought to our attention by Senator MacEachen in the chamber and other problems that have occurred over the years with the operation of joint committees. They want the informal committee to start working right away.
>
> Senator Grimard has agreed to represent the opposition in the Senate on this informal committee. We suggest that Senator Gauthier represent the government on the committee because he has extensive experience on joint committees. He was to speak with his leader to see if he had her approval, a matter which he will report on when he arrives. I assume that committee will start working right away.

Senator Robertson went onto explain other matters which arose out of the deliberations of the steering committee.

After concluding her presentation, she said:

> Honourable senators, that is a brief report of the meeting of the steering committee. If there are other issues you wish us to consider, perhaps you could raise them now so Mr. O'Brien ...

—the clerk of the committee—

> ... can put them on the agenda for the next meeting of the steering committee.
>
> Perhaps we should have a formal motion to approve the work of the subcommittee. Is there such a motion?
>
> **Senator Ottenheimer:** I so move, Madam Chairman.
>
> **The Chairman:** Is it agreed, honourable senators?
>
> **Honourable senators:** Agreed.

The motion was to approve the work of the subcommittee. Senator Robertson did not seek the authorization of the committee to report the decision of the committee to set up the subcommittee, and I think that would have been required under standard and normal procedure. When one checks the record, there was no motion to the effect that Senator Robertson, as chair of that committee, should report to the Senate and seek due and proper authorization to join with the corresponding committee in the other place.

I have already read the text of the motion she made, namely:

> That the Standing Committee on Privileges, Standing Rules and Orders be authorized to act jointly with the House of Commons Standing Committee on Procedure and House Affairs with regard to its examination of the rules and practices governing the operation of joint committee.

That is, of course, a far cry from seeking authorization for the subcommittee. However, in an umbrella way, if the full committee is authorized to sit with a committee from the other place, then subcommittees may also sit with the committee.

I find it strange that all this came about by way of an exchange of letters. Honourable senators surely recall that when we wish to set up working committees with the other place, we do in fact pass or adopt a motion in proper form in this place and then request that a message be sent to the other place seeking the concurrence of the members of the House of Commons. In this instance, that was not done. In my opinion, it ought to have been done. That is the gist of my point of order.

As an addendum, to my knowledge, another committee of the Senate attempted that procedure in the not too recent past. I do not have the specific references before me, but I have it from an informed source that the committee on Agriculture sought, in the very same fashion, to set up a joint working relationship with a committee of the other place. It did not go very far because, when they requested funds for travelling, those funds were refused to them, and the exercise collapsed. That is the only other instance of which I know.

We should jealously guard the privileges of this house. It must be for a good reason that, when we do want to join forces and our efforts with members of the other place, we proceed by way of a polite and courteous message, leaving each house entirely free to decide on its own. The general reference or powers given to committees do not include the power for them to sit with committees of the other house. They would normally be required to come back to the house and seek that authorization. The message ought to be sent to the other place in proper form.

We learn from my reading of the proceedings of our Privileges, Standing Rules and Orders Committee that it was by way of a letter from the chairman of the committee in the other place that this whole thing got off the ground. Is that the catholic way of doing things? I question it.

Your Honour, I seek your ruling on that procedure.

In conclusion, I certainly have no objection to our committees joining forces with committees of the other place to discuss and examine real problems. In fact, that has been done in the past, by way of the correct procedure. In my opinion, procedure was not

respected in this instance. In spite of the fact that the Senate adopted the motion presented by Senator Robertson, it may have been done quite improperly as the chain of procedural sequence was incomplete. It was incomplete between the committee and the motion in the house, and incomplete in the adoption of the motion by the house and the possibility of those two committees working together.

[*Translation*]

**Hon. Jean-Robert Gauthier:** Honourable senators, if I rise to speak regarding this point of order — I would have preferred that Senator Robertson do it, because she introduced the motion — it is because I almost feel obliged to act, as deputy chairman of this committee.

We must bear in mind that the House of Commons made this proposal regarding certain members of the Senate in order to review and possibly propose a regulation regarding the joint committees of the House of Commons and the Senate.

As you know, currently no regulation covers the joint committees of the House of Commons and the Senate. This causes problems.

You will recall the issue of the photocopying and the reprinting of the latest report of the Special Joint Committee Reviewing Canada's Foreign Policy. The House of Commons evoked Standing Order 86(2), if my memory serves me correctly, to allow the Speaker of the House of Commons to put his grain of salt into this debate and to stop the printing of the famous report, which had cost close to one million dollars.

This was not well received by the Senate, because the Senate was not consulted first. Some of us — Senator MacEachen and I co-chaired — found that this issue needed to be resolved, and eventually a motion was passed and the issue was settled.

• (1500)

That does not take away from the fact that we still do not have a joint regulation. We are still without a uniform regulation, one regulation for the Parliament of Canada, which applies as much to the Senate as it does to the House of Commons. This very serious issue merits an in-depth study.

Mr. Milliken, the chairman of the House committee, wrote to the chairman of the Standing Senate Committee on Privileges, Standing Rules and Orders, to ask him informally whether two senators could meet with two members of the House of Commons to open up dialogue on the possibility of drafting a regulation which would apply to joint committees in the future. That was as far as I got. I did not pursue the issue any further.

Afterwards, I saw that the senator tabled a motion, which was passed by the House. Personally, I think that Senator Corbin was right. No official message went between the House of Commons and the Senate inviting the other to take part in discussions, because the original idea was to avoid imposing a traditional structure on the group of four or five people. We wanted to avoid clouding the discussions with too many formalities.

If the Speaker of this House believes that the motion is out of order, perhaps he should say so. Otherwise, I can assure you that meetings between two senators and two members of the House of Commons to discuss a coming regulation or a regulation to be proposed for joint committees is not the end of the world. Such a regulation would be very useful in the future in ensuring that the deliberations and the decisions made in meetings are in accordance with the rules and are acceptable.

**The Hon. the Speaker:** If no other senators wish to take the floor on this point of order, I will take the issue under advisement.

[*English*]

## LOBBYISTS REGISTRATION ACT

BILL TO AMEND—THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved the third reading of Bill C-43, to amend the Lobbyists Registration Act and to make related amendments to other Acts.

Motion agreed to and bill read third time and passed.

## BUDGET IMPLEMENTATION BILL, 1995

SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Corbin, seconded by the Honourable Senator Lewis, for the second reading of Bill C-76, to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

**Hon. Mira Spivak:** Honourable senators, I rise to speak again on Bill C-76.

After two decades of wildly inaccurate economic predictions by various finance ministers, and promises to eliminate deficits which only resulted in a dramatic increase in the national debt, Paul Martin's second budget was awaited in some quarters with the anticipation usually reserved by the faithful for the coming of the Messiah.

The money markets, the speculators, the money-lenders, the credit raters, Canada's central bank, much of the business community and the financial press had been telling Canadians for some time that we faced one over-arching problem: government deficits and the growing national debt.

The consensus of these interest groups, apparently shared by the government, is that the cause of the debt problem is overspending on government programs, especially social programs. That this analysis is faulty obviously made no difference to the remedy applied. Thus, this budget represents the most extensive cuts to health, education and social programs that we have seen. The Caledon Institute of Social Policy in its excellent budget analysis entitled, "How Finance Reformed Social Policy", has said it as clearly as anyone. The bottom line to this budget is obvious:

> The 1995 federal budget represents a fundamental turning point in Canadian social policy. It was the Liberals who

> created the foundation of our social security system in the 1950s, the 1960s and the 1970s... It is now the Liberals of the 1990s who are shaking that foundation to the core — making it smaller and extracting the cement that holds the essential building blocks in place.

With this budget the government ends the Canada Assistance Plan, and thus, ends cost-sharing of the social safety net that sets Canada apart from other nations as a compassionate and tolerant place to live. It will hand over to the province the lion's share of responsibility for assisting the poorest and most vulnerable of Canadians through welfare and social services. It will also end the Established Programs Financing which gives Canadians the security of good health services, no matter their income, and gives young Canadians the opportunity to build a better future for themselves and others by acquiring a post-secondary education.

In place of CAP and EPF, the government has created the Canadian Health and Social Transfer, or CHST, which is a new scheme of block funding. This scheme means both a withdrawal of federal funds and a withdrawal of the federal presence from the social arena.

When it is put in place in 1996-97, the CHST will pay the provinces $26.9 billion — $2.5 billion less than the $29.4 billion that would have been spent under the present system. In its second year, 1997-98, the CHST will send the provinces $25.1 billion — $4.5 billion less than the $29.6 billion they would have received under the old system. These reductions amount to 8.5 per cent for 1996-97 and 15.2 per cent for 1997-98.

What does this mean province by province? In my own province of Manitoba, for example, the figures touted by the Human Resources Development Minister suggest the province will receive just $7 million less next fiscal year — a 0.3 per cent reduction. However, the province's analysis suggests that the move to block funding will mean Manitoba will receive $105 million less for welfare, health and education. That is a big chunk for Manitoba. The difference was explained by whether or not equalization payments are factored into the equation.

Ontario's Treasurer and Mr. Martin were poles apart in their interpretations of what the budget would mean to the "have" provinces. Ontario predicted it would cost the province 90,000 jobs by 1996. An impartial judge, a senior financial analyst with the Dominion Bond Rating Service Ltd., has said that, even with the equalization payments factored into the equation, provinces will see a net loss of $5.3 billion over three years ending in 1997-98.

The four richest provinces — Ontario, Quebec, British Columbia and Alberta — will absorb 95 per cent of the loss. Ontario will be hit with a 43 per cent share of the cut — almost $2.3 billion. Only Newfoundland will see a gain as a result of the combined effect of the CHST and equalization. Manitoba will suffer a 2 per cent cut, which amounts to $105 million.

Not only will federal transfers to the provinces decline substantially, no matter how they are calculated, but the way in which the transfers are made will profoundly affect the ability of the government to exert pressure on how the money is spent. The Caledon Institute analysis projects that:

• (1510)

> In 1994-95, the total entitlement under EFP/CAP was $29.4 billion, made up of $17.3 billion in cash transfers (59 per cent of the total) and $12.1 billion in tax points (41 per cent of the total); by 1996-97, the total entitlement under the new Canada Social Transfer will have fallen to $26.9 billion, of which $12.9 billion will be in the form of cash transfers (48 percent of the total) and the remaining $14 billion (52 percent) in tax points. The cash portion of the total entitlement will fall from 59 percent in 1994-95 to 48 per cent by 1996-97. While the total entitlement in 1996-97 will be 9 per cent lower than in 1994-95, the cash portion will fall by a much larger 25 per cent during the same period.

Early in the next century, 2007-08, it is anticipated that the cash transfers to the provinces will dwindle to zero.

Although the Minister of Finance contends that the Canada Health Act and the protection it provides Canadians will survive this budgetary assault, common sense denies this scenario. The federal government can enforce the conditions of the Canada Health Act that guarantee a universally accessible, comprehensive health system only by withholding dollars for non-compliance — and these dollars will soon be gone. The other problem is that transfers with no enforceable conditions give no guarantee that federal funds allocated for specific purposes will actually be spent for those purposes; that funds for human services or health care will not be spent for highways or debt-servicing charges.

Professor Banting of Queen's University called the quiet erosion of cash transfers a "stealthy" abandonment of the Canada Health Act. He urged the Finance Minister to sever the link between the tax points and the cash transfers and reaffirm the government's intent to continue to be a financial contributor to social programs.

In fact, he suggested that section 36.1 of our Constitution commits the federal government to, among other things, provide equal opportunities for the well-being of all Canadians and essential public services of a reasonable quality. Professor Banting went on to say:

> This component of the Constitution itself is a powerful moral message that the federal government is committed, and should always remain committed, to ensuring that it is involved in the protection of well-being of all Canadians.

The Finance Committee of the House of Commons also recommended that the Finance Minister make the same commitment. It agreed that without cash transfers to the provinces, the federal government will be unable to enforce the

Canada Health Act, or prevent the imposition of residency requirements for social assistance. In the committee's brief but sane report, "the committee urges the government to commit that there be a cash component to CHST in the future, and that it will be sufficient to enforce compliance."

The impact of the way in which provinces may deal with a shortage of health dollars is illustrated in my own province. A proposal now before the Manitoba Medical Services Council would see Manitoba follow the example in some other provinces and de-list eye examinations. As a Winnipeg optometrist explained, "This is short–term gain for long–term pain" — that is, in the sense that preventive measures may be abandoned if they are not insured services.

The prospect of diminished levels of funding will also have dire consequences for accessibility to post-secondary education in Canada. Mr. Guy Caron, National Chairperson of the Canadian Federation of Students, during his appearance before the House of Commons Finance Committee, put it bluntly:

> There will be a generation of students with huge debts acquired getting an education and the prospects of no jobs on graduation to pay it off, because the CHST prompts huge increases in university tuition.

What of welfare and social services under the CHST? First, lumping all the money for welfare and social services — not highly regarded programs in these workfare times — in with education and health care raises the danger of these funds getting lost in the mix. Second, the repeal of CAP, the Canada Assistance Program, repeals the welfare rights that CAP guaranteed — the right not to be forced to work for benefits; the right to assistance to anyone who can demonstrate need; and the right to an appeals process. Only the no-residency requirement remains under the CHST. This is a major shift in social policy. The loss of capital will also mean the loss of built–in cyclical protection when the economy is in recession since the federal government will no longer match funds for needed services.

Cost-sharing under CAP also required the provinces to make an initial upfront contribution to social services. That requirement is gone. Most important, although Bill C-76 speaks of shared principles and objectives to be negotiated with the provinces, how will they enforce these so-called "standards" when cash transfers are declining to zero? What if the provinces and the federal government do not agree? It has been known to happen. We are then back to a patch-work quilt of programs such as existed in the "Dirty Thirties" and far from those obligations, beyond the interregional laundering of money and those obligations that Canadians feel for each other and that represent a defining quality of our nationhood.

The irony of this budget is, as I mentioned at the outset, that Canada's social programs are not the culprit of our deficit woes. The Royal Bank's chief economist John MacCallum, that well-known left winger, acknowledged in a recent report that "the highly restrictive stance of Canadian monetary policy" was one of the major causes of steady decline in real per-capita, after-tax income in Canada in every year of this decade. The made-in-Canada recession and the excessively high interest rates have contributed to our deficit woes. Mr. Crow's single-minded insistence on battling inflation without regard to the consequences on unemployment and growth played a crucial role in driving us into the recession of the early 1990s, and in the process, greatly exacerbating our debt and deficit problem.

Linda MacQuaig's book, *Shooting the Hippo*, has been called satirically by Andrew Coyne "Hooting the Dippo" — he is a "dippo" himself because he has not heard of the Copernican revolution. He stated that Linda MacQuaig was absolutely outside of the consensus. Well, so were the people who did not believe in Copernicus. Linda MacQuaig reminds her readers of the work in Statistics Canada that shows that only 1 per cent of the debt growth is due to unemployment insurance costs; only 4.5 per cent of the growth is attributed to welfare programs across the country; only 3.4 per cent to housing programs; and 6 per cent to pensions. Family benefits contributed not at all. In fact, after 1975 they were cut back so severely that the cut helped reduce the debt growth by 11 per cent.

It is spending in non-social areas and, more important, the obstinate war on inflation through a high interest rate policy that has prolonged the recession. That is the real culprit.

Canada's interest rates have been higher than other countries. For example, last July it stood above 6 per cent; France had 4 per cent; the U.S. rate was under 3 per cent; and Japan's rate was under 2 per cent. This is the view, not of marginal crackpots, but of a number of mainstream economists, and it is reflected in the following paragraph:

> Economist Pierre Fortin estimates that $20 billion of the $49 billion deficit at all levels of government in 1992 was due to lower tax revenues resulting from high unemployment, and another $10 billion was caused by higher social assistance costs.

The Council of Canadians, in its budget analysis, shows that federal debt serving charges have risen from $25.4 billion in 1985-86 to more than $42 billion last year. In two years they are expected to rise to more than $50 billion. The council rightly concludes that "without addressing the underlying problem of overinflated interest rates, only the most drastic cuts to program spending imaginable will have any sustainable impact on the government's fiscal problems."

As a representative of Western Canada, I cannot let this opportunity pass without speaking briefly about one other historic change taking place with this budget: the demise of what was known as the Crow benefit with the repeal of the Western Grain Transportation Act. Prairie Pools Inc., representing Western Canada's largest farmer-owned cooperatives, estimates the first effect of the loss will be an immediate average increase of $16.43 per tonne in the cost of transporting grain and oilseeds. That means a direct decrease in the price farmers receive for their grain — a decrease of more than 10 per cent of the expected price of wheat.

The Canadian Federation of Agriculture says that for a number of farmers close to the Manitoba-Saskatchewan border, it will mean increased transportation costs of up to $25,000 annually. It will also mean that farmers who are captive to railways will lose regulatory protection that, in the absence of competition, helped to ensure that they received adequate service and a share of the savings that result from greater efficiencies. It will mean deregulation in the absence of competition.

It will also mean a decrease in the value of land in Western Canada. No one knows to what extent. The $1.6 billion proposed compensation payment to owners of prairie farm land is certainly far less than the $7 billion detrimental impact that farm groups in the west argued the end of the Crow would bring about.

The National Farmers Union has said the "shock therapy" proposed in the budget will hinder western diversification, will leave farmers with less money to change to cattle and specialty crop production and will hurt, not help, the farm economy.

• (1520)

The Finance Committee of the House of Commons heard very clearly that the compensation package was developed with an *ex gratia* payment notion — not in recognition that there is any liability on the part of government because it has changed its policy.

Honourable senators, this budget process contains some disturbing elements from the point of view of Canadian social policy. First, the Department of Finance, not the Department of Human Resources, has taken the lead position in the government in directing social policy. Second, the Government of Canada is withdrawing its presence and its influence from the direction of social policy. With diminishing federal cash transfers to fund post-secondary education, health care and social services, discussions with the provinces around the issue of national objectives or principles will proceed with a federal government that is without much fiscal or moral leadership.

The most likely result of all this is a country not only with a much lower investment in human resources — about the 1950s level — but with a system of social services which does not have basic, minimum national standards. Bill C-76 also opens the door for the federal government to remove itself from the responsibility to enforce national standards.

Putting the three programs together — health, education and social welfare — will make it less likely that the government will ever use the withholding of money for enforcement. That would just make too many voters angry. Certainly, many critics have indicated that this budget spells the end of medicare as we know it. Thus, these particular cuts will affect the entire social infrastructure of civil society in our country.

In its recommendations to the House of Commons Finance Committee, the Council of Canadians had some very sensible recommendations: for example, that the federal government should continue its federal cash transfers to provinces, perhaps tying them to such indicators as CPI, population growth, unemployment and poverty rates; that CAP not be repealed; that the federal funding for health care, post-secondary education and social services be kept in separate envelopes; and that the federal government retain the authority, in order to ensure that funds allocated to the provinces for specific purposes are spent for those purposes.

Without these safeguards, this may turn out to be the most regressive budget in recent memory.

**Hon. Wilbert J. Keon:** Honourable senators, I rise to speak to those provisions of Bill C-76 that deal with health care funding. This bill combines existing programs that support health, education and social assistance into the new Canada Health and Social Transfer. In the process, federal support for these worthy objectives will fall by some $7 billion over the next two years.

Honourable senators, at this time, the Canadian health care system is probably the best in the world. Over the past quarter-century, it has been my privilege to be a part of that system as a doctor, as an academic researcher and as an administrator. Our system does not need to be scrapped, as some would suggest, but it must be changed to address some serious problems.

It is because of my faith and belief in our system that I am driven to make some of the strong statements that follow. Ours is an aging population. The first "baby boomers" are about to turn 50. The number of Canadians over the age of 65 will double in the next quarter-century. As a result, the need for health services of all kinds will grow significantly in the years ahead.

Here in Canada, one of the richest nations in the world, people are dying because they cannot access the care they need when they need it. Equally important, people are suffering unnecessarily as they wait months for operations such as hip replacements, cancer treatments and heart surgery. It is not because they cannot afford care, but because they cannot get care in a timely manner at any price.

No one is willing to accept the responsibility for the problems in our health care system. Patients and health professionals point their fingers at the provinces. The provinces point their fingers at the federal government for not spending enough and declare that doctors are seeing too many patients. Ottawa, in turn, declares that the provinces are not respecting the basic principles of medicare.

Honourable senators, it is time to take a very close look at the Canada Health Act. The act sets out five criteria which the provinces must meet in order to receive federal health care funds. These include public administration, comprehensiveness, universality, portability and accessibility. The act goes on to prohibit user fees and extra billing. Timeliness is not one of those basic principles, but it should be.

Honourable senators, I believe that all Canadians have a right to receive health care when they need such care. Very simply, health care must be accessible and affordable. That does not mean that the state has an obligation to pay for all of the health care costs of all citizens under all circumstances. Certainly, the state does not have the right to deny health care under the guise of preserving a universal system.

Indeed, we do not have a universal system. If you have $50,000 and need heart surgery, you can hop on a plane and get it tomorrow in the United States — no waiting needed; no questions asked. The full cost to the health care system of that same operation in Canada is about $15,000. Many people could afford all or a portion of this if they had the option. Most people, given the choice of a six-month wait for life-saving treatment and an affordable expenditure, would choose the expenditure. Under our current system, however, no one has that option.

If governments are unwilling to adequately fund health care, the money must come from somewhere. That may mean allowing private clinics where there are no waiting lists so that we can take the pressure off the public system. It may also mean allowing hospitals and health professionals to charge something to those who can afford it, so that the system can continue to provide services to those who cannot afford it.

Honourable senators, let me present a perspective on the debate over access to health care which I do not think has been raised before, and that is a constitutional one. Both the Canadian Bill of Rights and the Charter of Rights and Freedoms explicitly recognize the right to life. Indeed, it is the very first principle enumerated in the Bill of Rights where section 1(a) recognizes:

> the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law.

Section 7 of the Charter of Rights and Freedoms guarantees that:

> Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

My chosen field is medicine, not constitutional law. I cannot comment on whether denying patients the right to purchase life-saving health care violates the letter of the Bill of Rights or the Charter, although I would not be surprised to learn that it does. However, I would submit that it certainly violates the spirit of those two cornerstones of our legal system. There is no fundamental justice when life-saving or pain-relieving medical services can neither be delivered in a timely manner by the public sector nor purchased from the private sector.

Michael Bliss, a respected Canadian historian, put it this way in the *Ottawa Citizen* on May 14:

> What do you do if you've promised to supply people's needs for something and then find out you can't afford to do it anymore?
>
> You have two choices: You can fund only a certain percentage of everyone's needs, say 75 per cent. Or you can fund the needs of those who have nowhere else to turn, while asking the well-to-do to fend for themselves.
>
> In the first scenario, no one's needs get fully satisfied. In the second scenario, everyone's do.

Mr. Bliss' comments are certainly food for thought.

• (1530)

Honourable senators, let me deal with another issue, that of the federal commitment to health care funding. The stick Ottawa uses to enforce the Canada Health Act is the threat that transfer payments may be withheld.

Unless there is further federal injection of funds, the declining cash payments provided in this bill may soon make the Canada Health Act irrelevant. For example, it is estimated that in the case of Ontario these payments will run out within 15 years. In its presentation to the House of Commons Finance Committee on Bill C-76, the Canadian Medical Association noted:

> If the federal government is to have an active and credible role in this debate, as it should, then its long-term financial commitment to medicare must be known.

I think the House committee must have been listening. In its report on this bill, it urged the government:

> To commit that there will be a cash component to the CHST in the future, and that it will be sufficient to enforce compliance.

If you listen to the Minister of Health, the Canada Health and Social Transfer will save medicare. I do not understand how taking $7 billion out of the provincial health care and social affairs budget will save medicare.

I do think that it is time the government cleared the air on the matter of health care funding. We have heard the Prime Minister say that we need to cut our health care spending to 8 per cent of gross domestic product from 10 per cent. We have not heard him say how he expects the provinces to cut their health care spending by $16 billion. We have heard the Minister of Health threaten Alberta with financial penalties for mixing private and public medicine, without saying what is essential and what is not.

The Prime Minister must be commended for the establishment of the National Forum on Health and for the appointment of excellent people. However, it will be some time before the recommendations come forth and are implemented, and I believe there are problems which require addressing now.

Honourable senators, I think it is time to have a real debate on the future of health care in this country. It is time to ask Canadians what kind of health care system they really want, and to then determine the best methods to achieve it at the least cost. It is certainly time to stop pretending that the system can continue without change.

On motion of Senator Berntson, debate adjourned.

[*Translation*]

## APPROPRIATION BILL NO. 2, 1995-96

### SECOND READING

**Hon. Jean-Robert Gauthier** moved the second reading of Bill C-97, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996.

Honourable senators, the bill before you today is Appropriation Bill No. 2 for 1995-96, which provides for about $34.4 billion in new spending authority or the balance of the Main Estimates for 1995-96. That is a lot of money!

The Main Estimates for the current year, as you may recall, were tabled in the Senate on February 28, 1995 and subsequently referred to the Standing Senate Committee on National Finance.

Out of the total Estimates, which this year represent $164.2 billion, the government is seeking parliamentary approval for $48 billion, the remaining $116.2 billion being statutory payments which have already received parliamentary approval.

The Main Estimates include $2.3 billion of $4.3 billion in spending cuts achieved through the government's program review. As you may recall, last fall the federal government conducted a comprehensive review of all its programs to identify its core roles and responsibilities and reallocate resources to priority sectors in the interests of increased effectiveness and efficiency.

Program review is doing well. In fact, the process has now ended, and I think it was more extensive than previous initiatives for across-the-board cuts in spending, at least in my experience. In the departments, the process resulted in a series of decisions to reduce spending and reallocate resources, as shown in the 1995 budget brought down by the Minister of Finance, Mr. Paul Martin. The results testify to the government's commitment to reduce spending, streamline operations and make drastic changes in terms of availability and delivery.

Briefly, we are determined to rethink government. I imagine honourable senators are keen to talk about a subject that is all the rage in the United States, and I am referring to re-inventing the government. There is an interesting book on the subject I read last year, which talks about the new administration and how its main concern should be those two big words: effectiveness and efficiency.

The Main Estimates tabled this year so far total $164.8 billion and provide for parliamentary approval of $48.2 billion, of which $48 billion is budgetary and $200 million non-budgetary, as well as $116.6 billion in statutory payments, of which $116.2 billion is budgetary and $400 million is non-budgetary.

[*English*]

For those of us who want to know what is a budgetary expenditure and a non-budgetary expenditure, I asked the department to give me a brief explanation. A budgetary expense is a day-to-day expense of government, such as salaries and wages of public servants, travel, accounting, et cetera. That means everything that affects income. A non-budgetary expense is what the government loans, buying shares that will bring a return, such as loans to Crown corporations, loans to Indian bands and others.

Bill C-97 is Appropriation Bill No. 2 for the period April 1, 1995 to March 31, 1996. It asks for the approval of the difference — around $34 billion — between the expenditures contained in the budget and the amount already approved by Parliament March last; which was three-twelfths of the budget, and approval of the other nine-twelfths is what we are looking for today in Bill C-97

Honourable senators, having made those remarks, I rest my case. If I understand this process, usually it is rather dry and technical. If anyone has any questions I will try to answer them, but I would prefer to take them as notice so that I can look into all the papers that I have been given and perhaps explain further some of the intricacies.

**Hon. C. William Doody:** Honourable senators, as Senator Gauthier has pointed out, this bill, when passed, will provide the government with the amounts covered by the Estimates tabled in both houses some months ago. These Estimates are currently before the Senate Standing Committee on National Finance for study, which has begun and will continue over the months ahead. The members of the committee will decide which items in the Estimates are worthy of closer consideration or in-depth consideration, and the committee will report to this house in due course. It has not been the custom of this house to delay appropriations bills. Indeed, it has been our custom to cooperate with the government in trying to get them through as quickly as possible.

• (1540)

If Senator Gauthier, or the leadership opposite, can assure us that this bill is in the standard form and contains no hidden surprises or sticky curves, we will be most pleased to accede to the passage of the bill. This does not preclude any other senator who wishes to speak on the bill from doing so, but I am simply saying that this side has no intention of delaying the bill.

**Senator Gauthier:** Honourable senators —

**The Hon. the Speaker:** I wish to inform the Senate that if Honourable Senator Gauthier speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill, unless he is replying to a question.

**Senator Gauthier:** Honourable senators, I am replying to a request rather than a question. The assurance I was given by the authorities is that, indeed, the bill contains some traditional presentations and the usual clauses. It has no glitches.

**The Hon. the Speaker:** If no other senator wishes to speak, it is moved by the Honourable Senator Gauthier, seconded by the Honourable Senator Losier-Cool, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

[*Translation*]

## THE ESTIMATES, 1995-96

VOTE 25—REPORT OF STANDING JOINT COMMITTEE ON OFFICIAL LANGUAGES ADOPTED

The Senate proceeded to consideration of the report of the Standing Joint Committee on Official Languages (Privy Council Vote 25 — The Estimates, 1995-96), presented in the Senate on June 7, 1995. — *(Honourable Senator Comeau)*

**Hon. Gerald J. Comeau**: Honourable senators, I have just a few thoughts concerning the committee. The Joint Committee on Official Languages is a committee of parliamentarians from both the House of Commons and the Senate. This committee reviews programs aimed at protecting and promoting Canada's linguistic minorities. It meets with ministers and officials from Heritage Canada and Treasury Board, with the Commissioner of Official Language, and with many others.

The main goal of the committee is to examine how responsible departments and agencies comply with constitutional requirements and other language provisions, and with sections 41 and 42 of the Official Languages Act. The joint committee is important because it is a formal group. It must be noted that not all parliamentarians on this committee agree with the constitutional and legislative provisions aimed at ensuring the survival of minority language communities, particularly anglophones in Quebec and francophones outside Quebec.

In both the Senate and the House of Commons, are many parliamentarians representing regions or ridings outside Quebec with significant francophone communities. Our Speaker himself represents such a region.

Senator Louis Robichaud was the first senator to join this parliamentary group in 1992, and the group has been meeting regularly ever since. I see that Senator Robichaud is present and I take this opportunity to thank him.

The members of this group, called the Robichaud Group after him, have an information and consultation forum on the challenges facing the francophone and Acadian communities. Individual members remain free to act according to their personal beliefs or party lines.

The group meets informally with groups involved in the development of francophone and Acadian communities in Canada to share and exchange ideas. Issues are varied and important. I cannot list them all but there is the military college in Kingston, RDI, the devolution of services to the provinces, the enforcement of sections 41 and 42 of the Official Languages Act, to name a few.

I think this sharing amongst parliamentarians from different political parties is essential and that the dialogue that ensues with representatives of the communities can only be productive.

I had promised to make it short, honourable senators. That is it.

Honourable senators, I move that this report be adopted.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt this report?

**Some Hon. Senators:** Agreed.

Motion agreed to and report adopted.

## EUTHANASIA AND ASSISTED SUICIDE

REPORT OF SPECIAL COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the final report of the Special Committee of the Senate on Euthanasia and Assisted Suicide, entitled: "Of Life and Death", tabled in the Senate on June 6, 1995. — (*Honourable Senator Neiman*)

**Hon. Gérald-A. Beaudoin:** Honourable senators, to speak on life and death is quite a challenge; few things are more difficult. The debate is philosophical, medical and legal; in short, it is a societal debate. I will deal mainly with the legal question.

Our report deals mainly with matters coming under federal jurisdiction like the Criminal Code and criminal procedure, but also with provincial matters, like the administration of justice, the Civil Code of Quebec, living wills and the domains of hospitals and health.

We have analyzed the relevant case law, in particular the *Nancy B.*, *Latimer* and *Brush* cases. We have considered also the Canadian Charter of Rights and Freedoms of 1982. We have, of course, studied in depth the *Sue Rodriguez* case.

We have also made a comparative law study on euthanasia and assisted suicide in the U.K., U.S.A., France, Australia, Germany, Holland, Sweden and Switzerland. The situation may differ from one country to another. In all these countries euthanasia is prohibited, in principle, except in one northern territory of Australia. In Holland, however, the courts have created the exception of medical necessity. Assisted suicide is not legalized, in principle, except in Germany and Switzerland, under certain conditions, and in one or two states of the United States, where assisted suicide remains a little bit in limbo.

The first thing we did was to draft a lexicon, a vocabulary. There is no use talking about such difficult problems, if we do not agree on the terms and definitions to start with. The lexicon was agreed to by all members. We devoted long hours to it.

We did not consider assisted suicide and euthanasia only. Early on, we discovered that it was essential to study palliative care, total sedation, treatment aimed at alleviating suffering that could shorten life, witholding and withdrawal of life-sustaining treatment. We were unanimous on those subjects. This may go a long way to solve our problems.

Each act may be qualified as voluntary — done in accordance with the wishes of a competent individual or a valid directive given in advance; involuntary — done against the wishes of a competent individual or a valid directive given in advance; and non-voluntary — ignoring the wishes of a competent or of an incompetent individual.

We all agree on the necessity of legislation on living wills. We have in Canada two systems of private law: the Civil Law in Quebec and the Common Law in the other provinces. Living wills are an excellent initiative. In Quebec, section 11 of the Civil Code deals with the mandate. So far, Ontario, Quebec, Manitoba and Nova Scotia have legislated in this field. British Columbia has passed legislation; it is not yet proclaimed.

It became obvious that we have to propose amendments to the Criminal Code. Patients and health practionners need legal protection. People should know what they can and what they cannot do. In our report, we have referred to about 20 sections of the Criminal Code and about 15 articles of the Quebec Civil Code.

We all agree that provincial Crown attorneys have a major role to play in prosecution. In law, they have discretion. We have suggested that guidelines be enacted by the provinces. We invite them to play their role.

[*English*]

In the field of health, which is primarily a provincial domain, we suggested that provincial legislatures amend their existing legislation.

• (1550)

Honourable senators, the Chapter on assisted suicide was no doubt the most difficult. Suicide and attempted suicide are no longer in the Criminal Code. On one point, we are unanimous; on some others there is a majority and a minority. We all want the act of "counselling" someone to commit suicide to remain a criminal offence, as stated by section 241(*a*) of the Criminal Code.

With respect to section 241(*b*) of the Criminal Code, aiding suicide, a majority — of which I am part — would like the section to remain as it is for all the reasons explained in the report. Certain reasons are of the same nature as those expressed by Mr. Justice Sopinka in the *Sue Rodriguez* case; others are innovating. However, a minority would favour a legal exemption along the guidelines developed in our report. Again, they are numerous. The guidelines suggested by the minority are close to the ones developed by Chief Justice Lamer in the *Sue Rodriguez* case, where he is dissident with three other judges. The opinion of Chief Justice MacEachern of the Court of Appeal of B.C. must also be taken into account.

With respect to euthanasia, honourable senators, there is unanimity to reduce the sentence when compassion or mercy killing is an essential element of the offence. We studied the *Latimer* case and the *Brush* case in particular. We need an amendment to the Criminal Code, either for a third degree murder or for the creation of another kind of offence. However, we insist upon one fundamental point: the Parliament of Canada should take the initiative to fix the penalty in such a case, and the Courts should be guided by precise federal legislation.

We all agree that involuntary euthanasia should not be decriminalized.

On the question of voluntary euthanasia, a majority of the committee is against legalization and a minority is favourable to it, but with precise guidelines.

In our report, honourable senators, we make the appropriate distinctions between the *Nancy B.* case — withdrawal of instruments and/or treatment — and the *Sue Rodriguez* case — assisted suicide. Those two cases differ in law. We always kept in mind the Canadian Charter of Rights and Freedoms. That Charter has been a key player in Canadian constitutional law since 1982.

Honourable senators, our mandate was to study euthanasia and assisted suicide and to make recommendations to the Senate. We devoted time, discussion and energy to reasoning; the arguments pro and con were always considered and expressed. Committee members have the greatest respect for the opinions of their fellow colleagues.

It is up to the government to decide whether legislation should be adopted by the Parliament of Canada. We invite the provincial legislatures to enact legislation, if they so wish.

Honourable senators, we all agree that the research shall continue; a "societal" debate is likely to take place in Parliament, in the press, and in the public. To the best of our knowledge, we have established parameters. Let us hope they will be useful.

It has been my good fortune to work with six other committee members. I wish to thank all of them: the Chairperson, Senator Neiman, the Deputy Chair, Senator Lavoie-Roux, Senator DeWare, Senator Carstairs, Senator Corbin and Senator Keon. We were given a difficult issue to study, but a very fascinating one.

On motion of Senator Lavoie-Roux, debate adjourned.

[*Translation*]

## PRIVILEGES, STANDING RULES AND ORDERS

### MOTION TO STUDY AND REPORT UPON DECISION OF HOUSE OF COMMONS TO CEASE PUBLICATION OF COMMITTEE PROCEEDINGS—DEBATE ADJOURNED

On the Order:

Resuming the debate on the motion of the Honourable Senator Gauthier, seconded by the Honourable Senator Hervieux-Payette, P.C.:

That the Standing Committee on Privileges, Standing Rules and Orders consider and report on:

(i) the effects on the Standing Joint Committees of the decision by the Board of Internal Economy of the House of Commons concerning the editing, translation and printing of Committees Issues, and

(ii) the need for the Board of Internal Economy of the House of Commons to consult the Senate before making decisions on matters that concern both Houses of Parliament. — (*Honourable Senator Corbin*).

**Hon. Jean-Robert Gauthier:** Honourable senators, I considered the amendment by Senator Corbin unacceptable right off because it considerably expanded the scope of the motion I had tabled and accordingly contravened subsection 579(2) of the sixth edition of Beauchesne.

Had it been tabled elsewhere but here, I can assure you that the debate would have been quite clear and that the amendment would, I believe, have been considered inadmissible. I will read you this section of Beauchesne, which provides that:

> An amendment may not raise a new question which can only be considered as a distinct motion after proper notice.

• (1600)

The motion I tabled makes no mention of the constitutionality of the decision by the House of Commons or of the fact that the speech by Senator Beaudouin confirmed that our motion concerned a constitutional matter.

In the motion we also did not want to interfere with the parliamentary affairs of the House of Commons, so we asked the Senate specifically to take note and to act accordingly.

The scope of Senator Corbin's motion, in my opinion, goes beyond the intent of the motion I tabled on a number of points. It should, if we are to be strict, be deemed inadmissible under subsection 579(2).

However, I agree with Senator Corbin that when I tabled the motion, which contains two separate parts, if you will, the problem had not been resolved. The House of Commons had not decided to continue to have the committee proceedings translated. The matter was still current.

Now that the House of Commons has reversed its April decision, the matter is not so topical but the constitutional issue still remains. It could easily be referred to the Standing Senate Committee on Legal and Constitutional Affairs. I have no objection to that, and I think that the point is a valid one.

Senator Corbin used a compelling argument, saying that we should know once and for all what sections 123 and 16 through 18 of our Constitution actually mean. How important are they with regard to decisions made by either House of Parliament?

The other part of my motion dealt with a provision that bothers me a great deal, namely that the Senate is sometimes ignored when the House of Commons makes decisions affecting both Houses of Parliament. This, in my opinion, is unacceptable.

That is why the second part of my motion calls for the Standing Committee on Privileges, Standing Rules and Orders, chaired by Senator Robertson, to consider this whole issue and report on whether it is appropriate for the House of Commons to take, without prior consultations, measures affecting Senate operations. My motion had two parts.

I did not talk about the Constitution. I simply said that, in my opinion, it was totally unacceptable for the House of Commons to make such a decision without first consulting the Senate.

I would ask that, in the future, the Board of Internal Economy of the House of Commons consult the Senate before making a decision affecting both Houses of Parliament. Consulting means coming to see us, sending us documentation, meeting with the Board of Internal Economy of the Senate and with senators, explaining the scope of the proposed measure, and finding out whether the Senate agrees or disagrees before proceeding as though they were the decision–making authority in parliamentary matters.

Parliament includes both the Senate and the House of Commons. There are two Houses but a single Parliament. As far as I am concerned, we cannot function if we continue to make such unilateral decisions as the House of Commons did with regard to the printing of committee proceedings.

In fact, they later came and asked us if we could take on the responsibility for having the proceedings of joint committees of the House of Commons and the Senate translated, interpreted and published. Who will pay for this? They say they will pay their fair share, that is to say about 70/30.

I know I am in a procedural bind. On the one hand, I find that Senator Corbin's motion makes sense and should perhaps be deferred to the Legal and Constitutional Affairs Committee. On the other hand however, my own proposal, which is also topical, could perhaps be more important in that it addresses the activities of both Houses and should therefore be reviewed, not by the Legal and Constitutional Affairs Committee, but by the Standing Senate Committee on Privileges, Standing Rules and Orders, as it can deal with both Houses.

I will go no further, honorable senators. All I can tell you is that, as far as I am concerned, I would at least like to see the motion divided into two parts. You could then say that this part will be referred to the Legal and Constitutional Affairs Committee and the other to Senator Robertson's committee responsible for privileges, standing rules and orders. Since this cannot be done, I will vote for Senator Corbin's motion. However, I give notice that I will be back with the second part of my motion very shortly.

[*English*]

On motion of Senator Berntson, debate adjourned.

[*Translation*]

## OFFICIAL LANGUAGES ACT

### NECESSITY OF EVALUATING THE LAW—DEBATE ADJOURNED

**Hon. Jean-Robert Gauthier** rose pursuant to notice of Thursday, May 25, 1995:

> That he will call the attention of the Senate to the need to carry out a comprehensive evaluation of the implementation of the Official Languages Act.

He said: Honourable senators, the reason for this inquiry is quite simple. The House of Commons has, once again, debated a motion I put before the House of Commons before being appointed to the Senate.

It was taken up by a member of the Reform Party, who is now distorting the very essence of the motion in question.

The motion read as follows:

> That, in the opinion of this House, and as the anniversary of the original Official Languages Act approaches (1969-1994), the government should thoroughly assess the way the Act is applied in Canada, by appointing some individual to carry out a detailed and balanced review of the work done so far, and reaffirm Parliament's commitment to a just and adequate policy on official languages.

This is the wording I used in this motion. It has been used word for word by Mr. Ringma, a member of the Reform Party representing the riding of Nanaimo—Cowichan in British Columbia, but it has been taken out of context and distorted.

I would like a review of the way the act is applied. It is not applied equitably and fairly throughout the country. For reasons I do not understand, there is still resistance today, 12 years after the adoption of the Charter of Rights and Freedoms and some 25 years after the adoption of the first official languages act.

Unbelievably, there are still several areas in this country that are not completely in compliance with the act or the Constitution.

"Perhaps," I said to myself, "if someone with the right credibility" — I had certain people in mind — "could travel across the country and report back to Parliament that problems exist in certain regions, and explain why, that would be a positive thing and would help, in a general way, to restore a certain degree of linguistic equity to the country." Now we have the Reform Party saying that they want to review the act. Never did I say anything about that. The act is fine. It was passed by Parliament in June 1988. It is a good act, which was reformulated by the Conservative government of the time with my approval as official spokesman for the motion.

I am in no way opposed to the present act. It is clear. To misrepresent someone's intention is dishonest. To say that what Mr. Gauthier had in mind was a review of the act, not the application of the act, is simply not true.

I have come to the Senate to ask you to block a motion which will be voted on in the House of Commons. It is a votable motion which will be put before 295 elected representatives. I would like them to know that the bottom line is that, if they vote in favour of Mr. Ringma, they will have been entirely mistaken regarding the scope of the motion.

I simply wanted to review how the act is applied, not rethink the whole act.

I could get into a speech, honourable senators, on the development of the Official Languages Act. I know it by heart! I will not get into it this afternoon, because I know that committees will be sitting later and that the one to which I must go, the Foreign Affairs Committee, is probably waiting for me to arrive before commencing.

All that I wanted to achieve today by appealing to the Senate on this issue is to make it very clear to everyone that a person, like Mr. Ringma, who misrepresents someone else's intentions is not honourable. I find that utterly unacceptable.

On motion of Senator Berntson, debate adjourned.

• (1610)

[*English*]

## HEALTH

### IMPACT OF THYROID DISEASE—DEBATE ADJOURNED

**Hon. Erminie J. Cohen** rose pursuant to notice of Monday, June 5, 1995:

> That she will call the attention of the Senate to the impact of thyroid disease in Canada and all its ramifications.

She said: Honourable senators, the month of June has been designated as Thyroid Awareness Month by the Thyroid Foundation of Canada. I think it is appropriate to pick up that theme here in the Senate and outline some of the trend–setting initiatives and research work supported by the Thyroid Foundation of Canada in its efforts to find treatments and cures for the various forms of thyroid disease that affect so many Canadians.

I recently accepted the honour of acting as this year's Honorary Chair for the foundation's National Fundraising Campaign in New Brunswick. It is a cause I have no hesitation in supporting. In these days of government cutbacks in research into health issues, the valuable work of this hardworking, non-profit foundation, and others like it, often gets overlooked. Government and public attention tends to focus on new and more dangerous diseases like the Ebola virus, as well as the natural priority given to fatal diseases like Cancer and AIDS.

We have known about thyroid diseases for a long time and yet they are not well understood, either by those suffering from them, the doctors treating them, or by the medical research establishment.

The lack of public profile given to thyroid disease is evident in the low priority it has been given by such funding agencies as the Medical Research Council. Granted, it is a very small field with a total of only $3 million or $4 million spent annually on thyroid research. I might add that this work is carried out in some 15 centres across the country. Because of the size of the field, funding cut-backs have a particularly strong impact. They threaten not only the important progress already made but also the highly respected status Canada has achieved internationally through past initiatives in this specialized area.

A recent government decision to reduce by 20 per cent the number of doctors getting into each medical field also had a significant impact on thyroidology. This reduction in a country this large has meant that a great many people across Canada cannot be referred to thyroid specialists in their local areas.

I am happy to say that these set-backs have not dimmed the enthusiasm of Canadian thyroid researchers. For example, after being turned down year after year for funding by the Medical Research Council, one research team located at the Lawson Research Council, a part of the St. Joseph's Hospital Health Centre in London, Ontario, refused to give up. They carried on with a shoestring budget scraped together by the National Thyroid Foundation and by the dedicated people at the institute itself. Their perseverance paid off, and in 1993 the Medical Research Council awarded funding for three years' work to this particular research team. Those involved in this field of research are not willing to sit and wait for government handouts. That is why the national foundation was created and why its work continues to be vital to the continuation of this valuable work.

At present, there are 1,500 individual members of the Thyroid Foundation of Canada with 19 chapter offices spread throughout almost every province. In New Brunswick, we have chapters in Saint John, Newcastle and Moncton. There are two paid staff people at the national level and the rest of the work is done by 180 volunteers spread across the country. Since its inception, the foundation has published a quarterly bulletin for its members, summarizing the latest research findings in the field.

I think any profile that thyroid disease has acquired is largely due to the efforts of the foundation. It was created in 1980 in Kingston, Ontario, by a thyroid patient named Diana Maltzer Abramsky who was suffering from Graves' Disease and who was born in Saint John, New Brunswick. She has a wish list of what she wants the foundation to accomplish. It is part of what the foundation provides in its mail-outs to raise public awareness of its goals.

I would like to read it into the record today, honourable senators, as it provides a kind of mission statement for the foundation, as well as some insight into the frustration of Canadian Thyroid patients. These are:

Diana's Wishes

I WISH for earlier diagnosis and treatment of thyroid gland malfunction.

I WISH for improved doctor/patient communication vis-à-vis understanding thyroid disease and treatments.

I WISH for more thyroid clinics across Canada where, without referrals, people could have their symptoms evaluated by thyroid specialists.

I WISH hypothyroid screening, which has helped prevent mental retardation in infants, would be expanded to include adolescents and adults in high risk cases.

I WISH thyroid research were not so seriously underfunded; that it would become a more visible target for private donations and bequests, as well as for corporate and government funding.

I WISH the cost effectiveness of government-sponsored thyroid education update programs, for health care professionals, would be realized.

I WISH for a continuation of national media coverage of the Foundation's thyroid awareness programs, which inform the public-at-large about serious medical problems that may result from an untreated, malfunctioning thyroid gland.

I WISH for talented leaders and members at the Chapter level to continue promoting the Foundation as a recognized source of thyroid information, for all age groups and all segments of society.

I WISH for dynamic leaders and members, who will inspire the public-at-large (lay and professional) to become thyroid conscious; to "THINK THYROID RESEARCH!" and "SUPPORT THYROID RESEARCH!"

I WISH for caring, dedicated leadership in our growing network of chapters, to continue to accept new tasks and challenges, with the same warmth towards thyroid patients, and with the same heart and soul of our early days.

I WISH for a World Thyroid Foundation with chapters in every corner of the globe, where the universal problems of thyroid patients may be addressed.

Since its creation in 1980, the Thyroid Foundation of Canada has provided monies for summer research scholarships and fellowships. Since 1989, 13 fellowships of $20,000 to $30,000 each have been awarded totalling $340,000. Since 1985, a total of $109,000 has been awarded to summer research students working in universities and major hospitals across the country.

The Thyroid Foundation of Canada has also been instrumental in establishing links between the small number of endocrinologists working in this field in Canada and their counterparts in other countries. One example of this is the work being done on autoimmune thyroid diseases, particularly the genetically caused syndrome of post-partum thyroiditis. Using the latest technology, Mount Sinai and Toronto hospitals, along with the University of Toronto Medical School, are collaborating with researchers in Germany on this important work.

Much of the research done in this field is carried out at the molecular level. So how do you describe thyroid disease in language that we laypeople can understand? It is commonly thought of merely as a disease that affects one's ability to lose or gain weight, but that is far too simplistic a picture.

In fact, a malfunctioning thyroid is more common in older people. I am sure we all know at least one older person who suffers from some form of it. At the same time, it causes mental retardation in one out of 3,500 infants if it is not diagnosed within the first several months after birth. It is also the leading cause of growth retardation in children. This kind of growth retardation is also curable but only if diagnosed properly.

One thyroid disease that is not curable at the moment is known as Graves' Disease. It is an inflammatory eye disease caused by a breakdown in the immune system which then affects the thyroid gland. Researchers at Montreal General Hospital have focused their attention on this particular disease and are optimistic that their research will eventually result in the ability to treat and prevent this disease altogether.

Thyroid malfunction can cause mental and emotional disorders such as paranoia and depression, not to mention infertility. Thyroid disease can be the cause of high cholesterol and, therefore, the clogged arteries and angina that can result. If there is not enough thyroid hormone in the system over a period of years, heart attack or stroke can occur. On the other hand, too much thyroid hormone causes an irregular heartbeat that can lead to cardiac arrest. The symptoms of thyroid disease can also be mistaken for senility or Alzheimer's disease.

For as yet unknown reasons, irregularities in thyroid gland function are more common among women than men and affect one in ten women at some point in their lives. When looking at the population as a whole, 5 per cent of Canadians suffer from some form of thyroid disease.

For older people, the effects are too often blamed simply on old age. This lack of consideration leads to needless suffering for many people. They experience a loss of energy, poor memory, poor concentration and excessive intolerance to colds. For those who are already suffering, or who have a family history of such diseases as diabetes or pernicious anaemia, the symptoms of thyroid problems are often thought to be a result of those diseases. However, if thyroid malfunction is the real problem, and doctors are aware of available testing and equipped to diagnose it, the testing procedures are very accurate.

Thyroid disease can be very serious, but if it is diagnosed and treated early enough, it can be controlled, if not cured altogether. Given the serious effect thyroid disease has on the quality of life for many people in this country and around the world, it strikes me as crucial to raise awareness about it among doctors, researchers and the public.

Canadian researchers, with the financial assistance of the Thyroid Foundation of Canada, are conducting research into the interactions of insulin-like growth factors and their effect on the development of the thyroid gland, as well as the relationship between faulty immune systems and the effect that can have on an originally healthy thyroid gland. Canadian research has also been conducted on the prevention of mental retardation in infants and genetic screening for thyroid cancer where there is a family history of it.

I think it is important to note that the Thyroid Foundation of Canada was the first such organization of its kind in the world and has acted as a prototype for the development of sister organizations in many other countries. One recent project undertaken by the Canadian foundation was to send copies of all its research collection to a medical library in India, where there is a growing awareness of the disease among the medical establishment.

This year, an International Congress will be held at the Sheraton Centre in Toronto on September 10 to 15. It will bring together leading experts from the Latin American Thyroid Society, the European Thyroid Association and the Oceanic Thyroid Association, which includes Australia and Japan. It will be 20 years before this congress is again held in North America.

To capitalize on this opportunity to raise awareness of thyroid disease, the Thyroid Foundation of Canada will be holding its annual general meeting just prior to the congress and hosting a free, public education meeting on Sunday, September 10 at 2:00 p.m. Out of this gathering, the foundation hopes not only to educate people about the disease and the important research being carried out in Canada to combat it but also to promote the creation of an international association to facilitate broader understanding and sharing of information.

I am very proud to be associated with this organization. It demonstrates what persons of initiative can accomplish in education and fundraising where public funding is just not available. At the moment, the foundation has a shortfall in its education budget. This will affect the number of scholarships that can be awarded. It will mean cutbacks for some very important research if our goal is not met. As long as we can continue to educate Canadians about this disease, I have every confidence that we will meet our target.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, before I move the adjournment of the debate, I wish to congratulate Senator Cohen for bringing such a timely and important topic to the attention of the Senate. I hope that her speech will be distributed widely.

Once again, I applaud her for the initiative that she has undertaken in this respect and for her appointment as honorary chair of this year's fundraising efforts in the province of New Brunswick.

On motion of Senator Graham, debate adjourned.

The Senate adjourned until Wednesday, June 14, 1995 at 1:30 p.m.

# THE SENATE

**Wednesday, June 14, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### FIREARMS LEGISLATION

RELUCTANCE OF NOVA SCOTIA PREMIER TO TAKE POSITION

**Hon. Gérald J. Comeau:** Honourable senators, I rise to express my concern at the recent revelation by the Premier of Nova Scotia that he would not disclose his position on Bill C-68, the gun control bill, to the people of Nova Scotia. The premier's justification for silence on such an important issue currently on the political agenda is that this is a federal matter, and that "party discipline" prevents him from speaking out.

Hiding behind the excuse of party discipline, as the premier has done, suggests that the Liberal caucus in Halifax is split on the issue of gun control. In the midst of a review of his leadership, the last thing the premier wants is to offend any of his caucus members by making it clear where he stands on this contentious issue.

Is this the same type of situation as we had after the federal election in 1993, when Premier Savage admitted that although he was in support of the purchase of the EH-101 helicopters, he deliberately chose not to speak out in order not to embarrass his federal leader. We had hoped that the premier would have recognized the perils of playing political games, particularly as we have watched a number of Sea King and Labrador helicopters crash in the last few months.

Premier Savage's claim that the gun control legislation is strictly a federal matter illustrates an inexcusable lack of leadership on his part. As many of the premiers who have spoken out on Bill C-68 have understood, the implications of this legislation for provincial governments are overwhelming. It is therefore not surprising that we have heard from the Premiers of Manitoba, New Brunswick, Newfoundland, and yesterday from Quebec, making their positions clear.

Some have suggested, including Nova Scotia PC MLA Brooke Taylor, that the reason for Mr. Savage's silence is that a promise has been made by the federal government to establish a national gun registration centre in Nova Scotia. If that is the case, Nova Scotians will never know where their premier stands on the issue of Bill C-68. He is more interested in garnering political points than in standing up for the people of his province.

I do not question the premier's right to hold a position one way or the other on this issue. However, if he is truly representative of the people of Nova Scotia, he must be prepared to take a leadership role. If he supports the bill, he must say so. If he does not, then he should explain why. Either way, the promise of a registration centre should not stand in the way of his speaking on behalf of Nova Scotians.

### BETWEEN THE LINES

COMMUNITY LITERACY RESOURCE PROGRAM

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I wish to draw your attention to a literacy resource program, produced by the national association active in criminal justice, which was launched on Parliament Hill earlier this week with the participation of some members of this chamber and the other place, including Senator Cools, Senator Pearson and the Solicitor General, Herb Gray. Titled "Between the Lines"/"Entre les lignes", the program kit was designed to be a resource for literacy workers and criminal justice workers to enable them to raise the literacy levels of individuals who are incarcerated or at risk with the law.

It is evident that there is a direct connection between low literacy levels and crime. There are some shocking statistics which members of this chamber should be aware of: An estimated 65 per cent of those entering gaol for the first time in Canada have trouble reading and writing, and an estimated 67 per cent of Canadians in federal prisons have literacy problems.

We were told that where programs exist to help, they raise the education and literacy levels of law breakers, and the recidivism rate is reduced. In addition, fewer people return to gaol or to crime because they now have a chance for personal choices.

These in-house programs in our prisons were introduced during the time that our colleague Senator Kelleher was the Solicitor General and have grown in leaps and bounds ever since. The program announced in Ottawa this week is a community program. It is a call to action that will move crime prevention, rather than crime itself, into the centre of community attention.

The kits are available to all parliamentarians. I would encourage members in this chamber to use them and distribute them in their areas. This is an important part of not just the literacy program in this country but also of the safety of Canadians in every community in Canada.

• (1340)

# ROUTINE PROCEEDINGS

## ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

REPORT OF COMMITTEE TABLED

**Hon. Pat Carney:** Honourable senators, I have the honour to table, in both official languages, the Twenty-fourth Report of the Standing Senate Committee on Energy, the Environment and Natural Resources entitled "Report of the Committee's Fact-Finding Mission to Washington, D.C., March 6-9, 1995".

## NATIONAL PROTECTED AREAS STRATEGY

REPORTS OF ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES COMMITTEE TABLED

**Hon. Pat Carney:** Honourable senators, I have the honour to table, in both official languages, two further reports: the Twenty-fifth Report of the Standing Senate Committee on Energy, the Environment and Natural Resources, which deals with the committee's travel to British Columbia sites, under its mandate on the National Protected Areas Strategy, from March 20 to 24, 1995; and the Twenty-sixth Report of the Standing Senate Committee on Energy, the Environment and Natural Resources, which deals with the committee's travel to Nova Scotia sites, also under its mandate on the National Protected Areas Strategy, from May 8 to May 11, 1995.

## THE IMMIGRATION ACT THE CITIZENSHIP ACT THE CUSTOMS ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. M. Lorne Bonnell:** Honourable senators, I have the honour to present the Eighth Report of the Standing Senate Committee on Social Affairs, Science And Technology, concerning Bill C-44, to amend the Immigration Act and the Citizenship Act, and to make a consequential amendment to the Customs Act.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day, and that it form part of the permanent record of this house.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Bonnell, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## FIREARMS BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-68, respecting firearms and other weapons.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I ask that this bill be read the second time on Tuesday next.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, if I may intervene at this stage, there have been a number of suggestions within the last few days that certain senators on this side would use the rules of this place and other procedures to delay this bill for whatever reason. I wish to assure all honourable senators that this is not our intention. Our intention is to give this bill the thorough study it deserves.

As evidence of our willingness to cooperate, if the other side so suggests, we would be willing to waive second reading at this stage and send the subject-matter of the bill to committee, in order that we can get down to the topic immediately, as we have done in the case of Bill S-10 and on several other occasions.

Honourable senators, this is a government bill, but we are willing to cooperate in accelerating study of the bill. I suggest that this is one way in which we can do so.

**Senator Graham:** Honourable senators, there have been discussions between the government and the opposition on this matter. It was our intention to seek leave for the sponsor of the bill, Senator Carstairs, to speak tomorrow. However, I understand that Senator Ghitter will not be present tomorrow, and since he will be the lead speaker for the opposition on this bill, it would appear that the most convenient time for both Senator Carstairs and Senator Ghitter is Tuesday next, and we have agreed accordingly. I understand that Senator Ghitter wishes to be in the chamber when Senator Carstairs speaks.

It is our desire to follow the normal procedure and have second reading. Then, after all honourable senators who wish to speak on the subject at second reading have spoken, the bill will be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

**Senator Lynch-Staunton:** As I understand it, then, it is the government's intention not to give any particular priority to this bill, and to let it proceed in this place in the ordinary way. In that event, if there is undue delay, we will not be the ones to blame.

**Senator Graham:** On the contrary. The Leader of the Opposition will understand that this bill has the highest priority.

**Senator Lynch-Staunton:** Then let us get on with it.

**Senator Graham:** If it is so desired, Senator Carstairs is prepared to speak on second reading, with leave, tomorrow.

**Senator Lynch-Staunton:** We are willing to send the bill to committee today. However, it is your call.

**The Hon. the Speaker:** Honourable senators, the motion proposed by Senator Graham was that the second reading take place on Tuesday next. Do I gather that Senator Graham now wishes to amend his motion and proceed, with leave, tomorrow?

**Senator Graham:** Honourable senators, I think the Leader of the Opposition has made his point. If the Leader of the Opposition were to agree to second reading today, we would proceed to have second reading today, and send the bill to committee today.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I think both sides have made their points. In trying to accommodate everyone, including the sponsor of the bill and our point man, it has been agreed that since the government is unwilling to move to committee before second reading, Tuesday is the best option.

On motion of Senator Graham, bill placed on the Orders of the Day for second reading on Tuesday next, June 20, 1995.

• (1350)

[*Translation*]

## CANADA COUNCIL

CLOSURE OF ART BANK—NOTICE OF INQUIRY

**Hon. Eymard G. Corbin:** Honourable senators, I give notice that, on Wednesday next, June 21, I will bring to the Senate's attention that, for all intents and purposes, artistic and cultural groups unanimously opposed the announced closure of the Art Bank of the Canada Council.

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[*English*]

# QUESTION PERIOD

## NATIONAL DEFENCE

PEACEKEEPING IN BOSNIA—PARTICIPATION IN UN RAPID DEPLOYMENT FORCE—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, I take the Leader of the Government back to the growing tension and difficulty in Bosnia. As all Canadians await word on the 11 Canadians being held hostage, the Canadian government's position is still somewhat unclear with respect to the situation in the former Yugoslavia.

Contradictions with respect to our role in the UN reaction force, despite confirmation last week by senior military officials that Canada would be participating in the UN rapid deployment force, leaves some concern in the minds of all of us. Yesterday, the Prime Minister indicated, in the face of that commitment, that he was not terribly enthusiastic about Canada being involved in that initiative.

Could the leader clarify the position of the Prime Minister? Are we to take from that comment by the Prime Minister that he may be ready to indicate that Canada should not participate or that we probably will be participating but with some degree of reluctance?

**Hon. Joyce Fairbairn (Leader of the Government):** I have nothing new to offer Senator Forrestall today, but I will repeat what I said yesterday: The Canadian government has made no decision to join the rapid deployment force at this time.

**Senator Forrestall:** Honourable senators, I will not pursue that matter. However, perhaps someone on the government side could take five or ten minutes and give the leader an up-to-date briefing. I know more about what is going on than she does, and that is regretful.

As the G-7 leaders gather tomorrow at the summit conference in Halifax, can we anticipate that the Prime Minister will place before that group some clarification of what, until now, has been a somewhat muddled picture? Will he clarify and indicate to the other leaders whether we intend to participate in the force? If not, has Canada taken a position at all?

**Senator Fairbairn:** Honourable senators, there is no muddle in the mind of the Prime Minister. The Prime Minister and the government are considering the situation of Canada vis-à-vis that force. No decision has been made, so there is no need for clarification of the Prime Minister's position. That is his position, and that is the position of the government at this point. It is considering whether or not Canada will participate in that particular force, should it be set up. That is quite clear.

I cannot anticipate what the discussions will be about at the G-7 summit, nor the conclusions of those discussions.

## FOREIGN AFFAIRS

PROJECTED COST OF G-7 SUMMIT IN HALIFAX—REQUEST FOR DETAILS

**Hon. Marjory LeBreton:** Honourable senators, my question is for the government leader. The G-7 summit in Halifax is to begin tomorrow. The "Chevrolet summit", as it has been dubbed by the Prime Minister, has taken on the mythical but false image that its costs will be less than those in the past and that the government is doing things on the cheap. Indeed, if they could get away with it, they would have one believe that the Prime Minister is staying at the YM/YWCA — that this is an ordinary event on the same scale as the Chevrolet among automobiles. The Prime Minister may be able to carry off this myth of staging low-key events by comparing this summit with the Naples summit last year.

However, according to press reports, this is a souped-up Chevrolet. In actual fact, the projected cost of the summit is $37 million, as opposed to the $28 million the government claims, or the final figure of $29.3 million spent in Toronto in 1988.

Honourable senators, my question is simple, and you can be sure I will be asking questions on the Order Paper afterwards: What is the projected true cost of the Halifax summit?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I look forward to seeing the honourable senator's questions on the Order Paper, and I shall await the conclusion of the summit before responding with a figure.

**Senator LeBreton:** I asked for the projected cost. Surely the cabinet has a projected cost. They would not go to Halifax without a figure in mind.

## INTERNATIONAL TRADE

### PEARSON AIRPORT AGREEMENTS—MEETING OF MINISTER WITH BRITISH COUNTERPART AT G-7 SUMMIT IN HALIFAX—GOVERNMENT POSITION

**Hon. Gérald J. Comeau:** Honourable senators, on May 4 of this year, Senator Di Nino raised a question regarding a meeting between Minister MacLaren and his British counterpart. It was reported that at a meeting in Toronto, the issue of government's cancellation of the Pearson airport agreements had been discussed.

I have two questions. My first question is: When will the Leader of the Government in the Senate respond to that question raised by my colleague Senator Di Nino?

My second question is an addendum to the first, and has to do with the pending G-7 meeting in Halifax. Since many government ministers are to be meeting their G-7 counterparts this week in Halifax, including Minister MacLaren, could the leader indicate whether the subject–matter of the cancellation of the Pearson airport agreements will be on the agenda, either formally or informally?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, in answer to the first question, I am conscious of the outstanding question by Senator Di Nino, and recently I asked that I might receive the information necessary to answer that question.

As far as the G-7 summit is concerned, vis-à-vis Bill C-22 and Pearson International Airport, I simply do not know.

## CANADIAN HERITAGE

### ABOLITION OF ART BANK—ROLE OF MINISTER

**Hon. Eymard G. Corbin:** Honourable senators, my question is to the Leader of the Government. On June 9, the Minister for Canadian Heritage, the Honourable Michel Dupuy, in answer to a question from Madam Suzanne Tremblay, the Bloc member for Rimouski—Témiscouata, who was inquiring whether the minister had taken part in the decision of the Canada Council to abolish the Art Bank, said:

> ...the Art Bank is the exclusive responsibility of the Canada Council. It is up to that organization to decide what it wants to do with the bank. However, I would be very pleased if arrangements can be made with the private sector and other interested parties to ensure the survival of the bank.

• (1400)

The Art Bank of the Canada Council could not have been set up without the approval of the government of the day and without the approval of Treasury Board. I have in my hands a document from that era. In fact, it is a document from Treasury Board that happened to be in the files of the Canada Council, which states very emphatically:

> The program will not be terminated without consultation with the government through the Secretary of State.

The successor to the Secretary of State is the Minister of Canadian Heritage. Surely, if the approval of the Secretary of State of the day was required to set up the Art Bank, the approval of the current responsible minister must have been required for its closure.

I am not suggesting that Mr. Dupuy deliberately deceived the House, or that he attempted to insinuate that he had no say in the matter. It is quite possible that he was in total ignorance of the requirement.

What I want to know from the government leader is whether, in fact, the Minister of Canadian Heritage was consulted, and if so, whether he said "yes" or "no".

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am aware of my honourable friend's interest in this issue. I will endeavour to obtain a response for him to that question.

[*Translation*]

## WINTER OLYMPICS 2002

### CANDIDACY OF QUEBEC CITY

**Hon. Jean-Claude Rivest:** In light of the decision that will be taken at Budapest, which is very important for Canada and Quebec, in particular for Quebec City, will the minister inform this house of the efforts that the Canadian government is making to support Quebec City's bid?

Even though the Canadian flag is not flown at Quebec City's city hall — we were passed up for the G-7 summit for this reason — will the Government of Canada forget this incident in this case and continue to support Quebec City's submission?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the Government of Canada has been enthusiastically supportive of the Quebec bid, and is very hopeful that that city will be the site for the competition.

[*Translation*]

**Senator Rivest:** Will Minister Dupuy be part of the Canadian delegation?

[*English*]

**Senator Fairbairn:** I believe that Mr. Dupuy will be there, yes.

**Hon. Marcel Prud'homme:** Honourable senators, I have a supplementary question on this issue.

We live on a very troubled planet, and it would help very much if some pressure were put upon the mayor of Quebec City, Mr. L'Allier, to tell people that they would be more than welcome in Canada in the year 2002. Perhaps I should not ask the minister to pressure him, because I know that Mr. L'Allier does not like pressure, but a strong representation could be made to him, in any event.

Perhaps my friend Senator Rivest could also try to convince Mayor L'Allier that it is to Canada that they will all be welcomed. Those who are about to vote understand the great country — I do not like the word "nation" — that is Canada. It would certainly help if everyone could join us in this respect. I would suggest that the minister also ask everyone here to join in our efforts to ensure that this great event takes place in that very fine, French-speaking, historical city, Quebec City, Canada.

**Senator Fairbairn:** Honourable senators, I thank Senator Prud'homme for his suggestion. I would certainly encourage anyone in this chamber on either side who has a friendship with or any influence on the mayor of Quebec City to broach this matter with him, while offering the enthusiastic support of all of us for this particular bid.

There is no question that the Quebec region and all of Canada would enjoy significant benefits, be they economic, social or cultural, from the choice of this beautiful city and the area surrounding it for these games. That city would also be a tremendous showcase not only for the youth of Canada but for the youth of the world in terms of participation in this event.

As I have said before, the Government of Canada has endorsed this bid enthusiastically. Any extra encouragement that senators in this place could give would be much appreciated.

## EXTERNAL RELATIONS

### COMMITMENT OF FRANCE TO CONTINUING NUCLEAR TESTING—GOVERNMENT POSITION

**Hon. A. Raynell Andreychuk:** Honourable senators, my question is for the Honourable Leader of the Government in the Senate. In light of the fact that your government has continued to press on the extension of the nuclear non-proliferation treaty, which is very commendable, and in view of the recent announcement by the President of France that that country will continue underground nuclear testing, what is your government's position on that announcement? Will this issue be raised at the upcoming G-7 meeting with the leaders?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, that question was in my mind early this morning. I ran out of time before I could seek an answer to it, but I will do so this afternoon. I, too, have been aware of the indications from France, and will try to get an answer for the honourable senator.

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# ORDERS OF THE DAY

## APPROPRIATION BILL NO. 2, 1995-96

### THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved third reading of Bill C-97, An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996.

Motion agreed to and bill read third time and passed.

## FARM IMPROVEMENT AND MARKETING COOPERATIVES LOANS ACT

### BILL TO AMEND—THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved third reading of Bill C-75, to amend the Farm Improvement and Marketing Cooperatives Loans Act.

Motion agreed to and bill read third time and passed.

## BUDGET IMPLEMENTATION BILL, 1995

### SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Corbin, seconded by the Honourable Senator Lewis, for the second reading of Bill C-76, to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

**Hon. Ethel Cochrane:** Honourable senators, I wish to make a few remarks concerning Bill C-76. As an omnibus budget measure, this bill contains a wide range of provisions to implement a variety of government budgetary initiatives.

I will focus my attention on the proposals in the bill concerning the Canada Health and Social Transfer, or CHST, and particularly on the implications of the CHST in relation to the future funding of post-secondary education.

The elimination of Established Programs Financing and the Canada Assistance Plan and their replacement by the CHST will involve a reduction in transfer payments for these programs to the provinces of $2.5 billion dollars next year and a further $4.5 billion the following year.

Like many others, I noticed with interest last week that one prominent member of the government caucus in the other place voted against this bill on final reading because of the negative effect it would have on the future of social programs and because, as he put it, "We are betraying what we promised in the Red Book".

• (1410)

Honourable senators, this was not the only government member to voice concern about CHST. The nine government members of the House of Commons Standing Committee on Finance tabled their sixteenth report on May 19. This is what they said:

> Numerous witnesses have suggested that insuring compliance with...the national criteria and conditions in the Canada Health Act and the prohibition against residency requirements for social assistance, will require an on-going cash component to the CHST. Accordingly, the Committee urges the government to commit that there will be a cash component to the CHST in the future, and that it will be sufficient to enforce compliance.

In short, honourable senators, a significant number of elected representatives of the government has already publicly expressed concern about the future funding of health, social assistance and post-secondary education if Bill C-76 is passed.

On the other hand, the emphasis on maintaining national standards of compliance causes me some concern. The government assures us, and Bill C-76 provides, that national standards of medical care under the Canada Health Act will continue to be enforced and that residency requirements for social assistance will continue to be prohibited. However, we do not have any national standards to enforce in the field of post-secondary education. This makes education the easy target for funding cuts under the CHST.

On May 4, the Canadian Teachers' Federation and the Canadian School Boards Association made a joint appearance concerning Bill C-76 before the House of Commons Finance Committee. They concluded:

> ...strictly enforced health care standards, that are not accompanied by standards for other social services, would likely accelerate cuts in those areas because of reduced overall funding. This would eliminate...some post-secondary programs and institutions.

The post-secondary education system is already seriously threatened because of the government's actions over the past year and a half. My province of Newfoundland and Labrador reduced its funding for post-secondary education institutions by 2.2 per cent this year because of cuts in transfers in federal budgets. To give you just one example of the effects of that action, Westviking College in Stephenville will be laying off 27 faculty and staff at the end of this academic year. That will surely affect the quality of education of their students beginning in the fall.

I emphasize, this is prior to the serious funding cuts that we can expect when the CHST comes into effect.

Last year, honourable senators, the government passed legislation increasing maximum loan amounts for full-time post-secondary students by 57 per cent, raising it from $105 to $165 per week. For part-time students, the maximum was raised by 60 per cent from $2500 to $4000 per year. This year the government eliminated the Canada Scholarship Program.

With this bill, there will be tremendous pressure on provincial governments to reduce funding for universities and colleges. In turn, that will force those institutions to dramatically increase tuition fees, and that, in turn, will force students to take on a much larger debt load under the new loan system to finance their education. Estimates for future tuition fees range anywhere from $5,000 to $12,000 per year, forcing more and more students to take out even larger loans.

The implications of these changes are very alarming. Many potential students will consider the prospect of huge debt loads after graduation and simply decide not to take post-secondary education. That is already happening, as we can see from reports across the country of declining applications for university enrolments. Yet this is happening at a time when we are trying to encourage Canadian youth to get more education and more training. Potential students are already wondering about the wisdom of accumulating all that debt. When they graduate, will the government offer them better prospects than the current youth unemployment rate of nearly 20 per cent nation-wide and over 40 per cent in my province of Newfoundland and Labrador? Student groups, including those in my own province, have expressed serious concerns about taking on the kinds of debt loads which they will be forced to carry by legislation such as Bill C-76.

I have a concern about the effects of larger loans and higher fees on one group in particular — adult students. The Minister of Human Resources Development stated in the other place last year:

> ...increasingly, Canadians born in the fifties and sixties are also returning to school...This means that we must provide substantially better support for part-time students or for adult returning students.

That is very much an understatement. In fact, the government is actively encouraging older workers to retrain and get better education to qualify for other jobs and careers. In the case of fisheries workers in Atlantic Canada, the government is forcing them to do so. Coming reforms to UI and welfare programs by federal and provincial governments will force more people into training.

It is a frightening prospect for young students in their twenties to graduate with debt loads of $20,000, $25,000, or higher if they continue on to post-graduate work. Then they must begin looking for a job in a stagnant economy in order to gradually pay off that debt. It is even more frightening for an adult, aged 40 or 50, with

family responsibilities and a mortgage to pay. How can they take on that same debt, knowing that there may be only 15 or 20 working years left to repay the debt and still save money for retirement? This is the kind of situation I see arising if Bill C-76 is passed.

**Hon. Leonard J. Gustafson:** Honourable senators, I am pleased to make a few remarks on this bill because it directly affects grain transportation, particularly in the area which I serve in Saskatchewan.

As you may know, the House of Commons Crow debate was the longest-sitting debate in the history of that House, with the exception of the Sailor debate in 1918.

This bill represents major changes in grain transportation particularly for Saskatchewan and the rest of Western Canada. It also affects the feed assistance program in the Maritimes.

It appears to me that the government has run ahead of itself. In the GATT negotiations, Canada probably gave up more than some other countries, particularly the U.S. We hoped that if we got rid of our western grain transportation program the U.S. would remove their export enhancement program. Quite frankly, the U.S. kept their program and we dumped ours.

Recently I received representatives from CPR in my office. They are really concerned about this legislation: Is this fish or fowl? What is the government doing?

I can remember Alvin Hamilton saying, years ago: "Condemn the government and you will be elected. If that does not work, go after the CPR."

I am not a great defender of the CPR but they handle the grain out of the provinces and out of the farmers' yards. They have an important point. If the government is not prepared to commit to a market system — which is what CPR thought it was all about — then the government should, at least, allow such a system to be tested. Otherwise, it may very well find itself locked in a transition with no indictment to go forward or to go backward. In other words, we are locked into a situation that some have named "Crow 2".

• (1420)

My personal view is that perhaps we were a little too jumpy, and that the government is bringing in a bill that will deal with some of the mistakes it made in its February budget. In this way, we will not be caught, as it were.

According to figures released recently from the Canadian Wheat Board, the increased freight rate in effect for Estevan, Saskatchewan will be $35 to $40 per tonne. That is the highest increase anywhere in the Provinces of Manitoba, Saskatchewan and Alberta. We do not know how this situation will work out. I can tell honourable senators that farmers are concerned about this matter.

On the other hand, we have a situation in which $1.6 billion will be paid out to farmers. There is a great deal of concern as to how this money will be paid out. With respect to those who rent land from landowners — the real farmers — I understand that the money will be paid to the landowners. It will be left up to the renter and the landowner to make an agreement as to that payment, if possible. In many cases, that will not be possible. Thus we will face another problem which I now put on the record.

I understand that there is a five-year ceiling that will apply to the railroads. This bill moves in a direction which makes that ceiling indefinite where it concerns grain transportation. Does this leave the opportunity for a free market area or does it not? Will it enhance investment by those who would invest in different areas of agriculture on the Prairies and in Western Canada?

This legislation is indefinite. It gives a great deal of power to the minister. In my opinion, it covers up some of the mistakes that were made along the way. In the minds of Western Canadian farmers, there is a great deal of apprehension as to what will come out of Bill C-76.

I wanted to put my comments on the record today. I could mention other matters, but I do not want to belabour the point. I just do not want the government to feel that there are no questions being asked by Canadians. These questions need to be answered. Perhaps we can obtain some answers when officials appear before the Agriculture and Forestry Committee.

[*Translation*]

**Hon. Jean–Claude Rivest:** Honourable senators, I have a few comments on Bill C–76. My colleague Senator Gustafson has mentioned some problems in the agricultural sector.

I would like to touch on another problem and a very important one in connection with this bill, which, as the Minister of Finance said — I realize honorable senators are well aware of this, but I want to remind them just the same — initiates some substantial changes in our federal system, especially in programs that cover the areas of health care, social services and post–secondary education.

Honourable senators, Canadians are particularly proud of the quality and range of the services in health care, social assistance and education they have been able to develop over the years.

Of course, provincial governments and the federal government have contributed to a considerable extent. The current financial situation and social circumstances in this country have made it necessary to proceed with a thorough review of the services we have enjoyed for so many years while providing safeguards for the system of social programs available to Canadians.

As the Minister of Finance indicated in his budget, we must try to fine–tune the efforts of various levels of government in this area and, above all, to make better use of the public money invested in these programs so that across Canada, health care and social services can be delivered more efficiently.

The Minister of Finance has said that the federal government wants to withdraw from these areas to give all provincial governments greater flexibility and more room to manoeuvre. All provincial governments and, more specifically, the Government of Quebec and all Quebecers have applauded this objective and the determination shown by the Minister of Finance.

However, honourable senators, I would like to draw the attention of this house to a number of problems connected with the approach chosen by the Minister of Finance to achieve this goal.

Clearly, when we are talking about health care, social services and education, we must go back to the very essence of our federal system. Our system, and this is the principle of federalism, provides for a sharing of powers between the federal and provincial levels of government.

The areas we are discussing here — education, health care and social services — are clearly matters for which the provinces are responsible and over which they have jurisdiction, and for a very simple reason. The provincial governments are closer to the people and are in the best position to establish systems, methods and mechanisms for the delivery of quality health care and social services to their citizens. That is why, when they created the federal system, they gave the provinces exclusive power over this area.

That does not mean — as the Canadian experience has proven — that the federal government must take no interest whatsoever in these important sectors of activity, on the contrary. In the past, the federal government assumed full responsibility for redistributing this country's wealth and ensured that the provinces had the money they needed to meet these important responsibilities that they had towards the public.

I do not think that we should necessarily change the order of things in our federal system, but I do think that, given the Canadian government's financial situation, we should admit and acknowledge that there will be less and less money available for the provincial governments to assume these important responsibilities.

That is why, honourable senators, I find it a bit odd that the federal government, which is backing out of its financial responsibilities in the current bill and in its overall policy, continues to impose criteria, objectives, principles or standards on provincial governments, which most probably will really be in keeping with the financial and budgetary reality that the provincial governments will be facing in the wake of federal cuts.

I understand the Prime Minister of Canada's point, and I, of course, agree with him when he says, for example, regarding health care services, that Canada must uphold the principle of a public, universal and accessible health care system. I suspect that the majority of Canadians agree with that statement, and the principle is applied in the bill currently before us.

We must, however, be realistic. If the federal government puts less money at the disposal of the provinces to meet these requirements, which the Prime Minister of Canada and the current government want to impose, and the bill confirms it, it is quite obvious that the result of the overall review of health care services will be that the provinces will no longer have the financial means to meet all of the requirements they say they want.

There is something extremely unrealistic about saying that Canada will keep its past ambitions, keep functioning at the same level, for all Canadians, while financial resources are going to be considerably reduced.

Furthermore, it is obvious that, in many provinces, in Quebec and elsewhere, the public has already gotten the message — in Quebec, things have been extremely tense these past few weeks. Even though the review of the health care system is just beginning, the bottom line, and in fact the only way this review can be interpreted, is that the quality of health care and social services is going to drop.

Honourable senators, this is an extremely important issue that all Canadians must think about. Fewer resources necessarily means fewer public services.

Of course, we could reorganize our institutions, cut out the inefficiencies in our current system, but the bottom line is that we are still going to be moving in that direction and we should be all the more conscious of this fact.

• (1430)

This is why I say that, if the federal government is cutting its resources, it must do more than just give the provincial governments the option and ability to make their own choices about the health, education and social services they will make available to their people.

In carrying out their constitutional responsibilities in this area, the provinces are not accountable to the federal government. They are accountable only to their people. If the provinces make poor decisions in organizing their health and social services, the federal government is not in a position to grade them or to judge their attitude. It is up to the people of each province to decide how well the province is managing.

The bill is full of warnings that, if the provinces fail to do a particular thing, the federal government can take certain action. It can sanction them and cut their funding.

I would describe this approach as paternalistic, and, in my opinion, it flies in the face of the spirit of Canadian federalism, which makes me really angry. Of course, I believe that, federally, provincially and individually, we can indeed agree on certain shared objectives, standards and principles in the areas of health, social services and post-secondary education.

Given that we have a political and economic union in Canada, there should be some equality in the way we resolve our social and educational problems. We must still respect Canada's constitutional order, and the government must not impose on the provinces its standards and principles.

This is why I strongly oppose the provisions of Bill C-76 to do with these standards and principles, where the government says it wants to promote shared objectives and principles developed in all social programs, including post-secondary education. The bill provides simply that the federal government must consult the provinces. We know very well that, if the consultation does not lead to firm agreements, the federal government will decide unilaterally what the standards, principles and objectives should be in the areas of health, social services and education — areas of provincial jurisdiction.

If the federal government had been willing to push our federal system toward a real partnership between the Canadian and provincial governments, it would have recognized in this bill the need for national principles and standards. It would have specified that these standards must be approved by all provincial governments and recognized them as responsible governments, which care about the well-being of all their people as much as the federal government does. That is why I think that these provisions of Bill C-76 are totally inadequate.

From a Quebec perspective, at a time when debates that will have a major impact on the future of Quebec and Canada are being held, I would have liked the Canadian government to take this opportunity to review all our social programs, to show Quebec people that Canadian federalism can move in the direction of respect for provincial entities or the Quebec entity as such and that, in an area as crucial and important to our society as health and social programs, the Canadian government will respect the decisions made by democratically elected provincial governments with regard to education, health care and social services.

If these provincial governments make decisions that people feel go against their best interests, their actions should be sanctioned not by the federal government but by the people in each province. I think that although the Canadian government did open the door and demonstrate its willingness to be more flexible with provincial governments by withdrawing funds, it missed an excellent opportunity to show all Canadians and Quebecers in particular on the eve of the referendum that federalism can indeed evolve toward respect for the decisions made by each province, for the identity and needs of each region, and for Quebec's identity in particular.

If Quebec wants to shape its future, it has the constitutional power to do so within the federal system. If it wants to have its own education system, as well as health and social services which reflect its own reality, the federal government should not go against the will of Quebec's National Assembly by imposing rather bureaucratic standards. It is up to the National Assembly, and to the legislatures of the other provinces, to look after these issues. Quebec and the other provinces can, with the federal government, act like responsible governments and agree to harmonize their respective policies and programs, so as to come up with principles, standards and objectives which will be suitable for every region, including Quebec.

I am speaking on this issue because provincial governments, particularly the Quebec government, will never accept the imposition of such standards. There is, however, a will, from both the government and the population of Quebec, to agree with the rest of Canada on common objectives. Again, I simply want to remind honourable senators that I deeply regret the fact that, in this bill, the federal government enshrined and approved a certain form of status quo for Canadian federalism, which is extremely costly, not only in terms of credibility, but also in terms of efficiency and understanding of the federal system in which we live.

[*English*]

**Hon. Noël A. Kinsella:** Honourable senators, I will take only a few moments. I wish to build upon what our colleagues Senator Rivest and Senator Gustafson have said. Because time allocation was imposed in the other place, it is impossible to know how many honourable members there opposed the provisions of this bill.

As Senator Corbin said and Senator Rivest underscored, it does indeed radically alter the federal-provincial landscape, perhaps in an irreversible manner.

The objective of the bill is, as we know, to implement all the non-tax measures contained in the February budget. As Senator Corbin stated at page 1729 of the *Debates of the Senate*:

> The cornerstone of this reform is the replacement, beginning in 1996-97, of Established Programs Financing for health and post-secondary education...

• (1440)

Are we to believe that by cutting billions in funds to the provinces for health needs and post-secondary education research and development, this government has a clear policy that is wise and prudent? What we have here is not a clear policy vision, at least not one that has been clearly articulated, but rather one that is based on flawed thinking and the promotion of a false economy. Certainly, as Mr. Allmand has underscored, it is contrary to the publicly enunciated vision that was contained in the Red Book and contrary to the principles that many colleagues opposite, who are pioneers who helped build the infrastructure of this country over the years through successive governments, have been able to set in place. There is a turning away from those principles. That is the policy implication that underlies the bill, and it has not been adequately addressed.

On May 11, 1995, I read in *The Globe and Mail* and *The Toronto Star* that the Minister of Finance told Parliament:

> ...the language of Bill C-76 will be amended to make it clear that his government has 'no intention whatsoever to impose anything [i.e. national standards] on the provinces.'

That is one statement coming from the Minister of Finance. Yet, on May 9, the Leader of the Government in this place said, in reply to a question from Senator Jessiman on the government's position on amending the Canada Health Act:

> ...the government is committed to improve the efficiency and effectiveness of our health system within the five principles of medicare as contained in the Canada Health Act.

Honourable senators, which is it? We have a statement of no standards being imposed by one minister and a statement of maintaining standards such as those in the Canada Health Act from another. Will there or will there not be national standards? There is need for some certainty in this matter. The Liberal cabinet appears to be either meandering aimlessly about vital health policy reform or imprudently and unilaterally axing the provinces' ability to maintain the principles of medicare.

Honourable senators, the sixteenth report of the Standing Committee on Finance in the other place emphasized and urged the government to commit itself to the maintaining of a cash component to the Canada Health and Social Transfer. Numerous witnesses suggested to that committee that ensuring compliance with such national principles and objectives, as well as compliance with the national standards and the national conditions in the Canada Health Act and the prohibition against residency requirements for social assistance, will require an ongoing cash component to the CHST.

Aside from the fact that with the disappearance of the cash component to the CHST will go the federal government's major lever for ensuring or facilitating the assurance of compliance with principles of the Canada Health Act, the only conclusive statement one can make is that the present government has sent a clear signal that it intends to act unilaterally or not at all in relation to maintaining federal standards in health care.

There is no doubt Ottawa must address the deficit issue. However, social programs, among them health and post-secondary education, have been disproportionately slashed.

Edwin West in *Ending the Squeeze on Universities*, stated:

> The heart of our wealth is the knowledge and skills of our population. Our economic development, measured both domestically and against the success of our major trading partners internationally, depends to a great degree on our abilities to harness our human resources.

An honourable member and a real Liberal in the other place, Warren Allmand, stated:

> ...social programmes in this country are not the cause of the deficit. In a question to the Minister of Finance approximately two weeks before the budget in February, a member of this House asked him whether social programmes were the cause of the deficit. The Minister of Finance said "No". As a matter of fact he said that social programmes were the same percentage of gross domestic product today as they were 20 years ago in 1975.

The Association of Universities and Colleges of Canada has said that budgetary decisions relating to higher education and research appear to have been taken purely for fiscal reasons without any clear policy objectives. The Red Book describes the Liberal agenda as "premised on an integrated and coherent approach" to public policy. Integration and linkage and common sense, if you will, do not appear to have made their way into this bill. I agree with Senator Rivest that that has some very unfortunate consequences.

The observation that Canadian universities are in a state of serious crisis is now commonplace. One hears this on every campus one visits across the country. No one agrees more with this notion of fait accompli than university administrators, faculty members and certainly the students. By the by, if this government had a strategy for our economic future, it would have been a little more selective in where it chose to cut. There are three types of spending: spending which should not occur under any circumstances; spending that is warranted where one can afford the expenditure; and spending that clearly must be made because of the consequences of not making them.

To my mind, research and development fits the "must" category. If we do not invest in research today we will pay a heavy price tomorrow.

Again the infamous Red Book stressed that our technological prowess, the sophistication of our infrastructure, the ability to innovate and the education and skill levels of our population are those things upon which Canada's competitive advantage is hinged.

What would Bill C-76 ensure? Further reliance on foreign innovation. In a world that is changing rapidly, we already lag behind our G-7 friends in our commitment to research and development. Research cuts are short sighted. David Crane, the economics editor of *The Toronto Star*, wrote:

> ...it seems clear that Ottawa will have much less capacity to help Canada become an innovative economy for the 21st century — and in particular, to partner with industry in developing the new products we need for jobs and growth.

If Canada is to address its deficit and debt issues, it must have stronger economic growth to expand its tax base. This means more emphasis on science, technology and innovation, certainly not less. The Red Book promised stable funding for the government's research councils.

Last December, the House of Commons Finance Committee told the government in its prebudget report not to cut the three granting councils. Instead — and we should be getting used to this — the Liberals decided it was wise to cut $77 million from the budgets of National Science and Engineering Research Council and the Social Sciences and Humanities Research Council. That means 14 per cent less funds available to facilitate and contribute to the university community's research activities. The Medical Research Council's budget will be pared by 10 per cent.

Indeed, the budget of the NRC, home to many of the government's scientific and engineering laboratories, has been cut by $76 million or 17 per cent. I am reminded, honourable senators, of something that John Diefenbaker once said of the Liberal Party:

> The Liberals are the flying saucers of politics. No one can make head nor tail of them and they are never seen twice in the same place.

Other research cuts, honourable senators, include the slashing of environmental research by 36 per cent; forestry, mining and engineering research by 38 per cent; and agriculture research by 9 per cent. The industry department says that by 1997 the cuts in science and technology will exceed $1 billion, or a 20 per cent cut in research support in our country. That is hardly preparation for the world of the 21st century.

• (1450)

Exactly what are the government's priorities? What are its policies? The Red Book has long since ceased to be the government's guiding light, as promise after promise has been broken. Robert Pritchard, President of the University of Toronto, said that:

> While few doubt the necessity of Ottawa to get its fiscal house in order, it is important that we clarify the government's priorities. These must include a commitment to vigourous and competitive research.

The Leader of the Government in the Senate speaks so enthusiastically about the Liberal's infamous Infrastructure Program. What about the human infrastructure? The government's Throne Speech stipulated that economic growth required an "investment in people". Across the country, there are about 1.5 million full-time and part-time university and community college students. University enrolments are almost double what they were 20 years ago, and 50 per cent higher than they were 10 years ago. Canada still enjoys excellent accessibility to post-secondary opportunities. However, with Bill C-76 placing on young people the burden of affording the education that person will need to fully make his or her contribution to Canada, accessibility is now put at great risk.

Senator Cochrane mentioned that phasing out the Canada Scholarships Program is directly at odds with the Red Book. This scholarship program was very successful in encouraging young people, notably young women, to pursue studies in engineering, mathematics and the natural sciences. It was an affirmative action program in the academic environment that was workable.

In early February, the House of Commons Standing Committee on Human Resources Development highlighted the importance of funding university research in Canada and, significantly, the infrastructure that it supports. In the committee's words, the federal government certainly has to recognize the importance of adequate infrastructure to the effective use of direct federal grants in support of research.

In Canada, the federal government has, in the past, indirectly supported university research infrastructure through the EPF-PSE transfers. This "thinking person's" infrastructure is vital to university-industry linkages and knowledge transfers. It is clearly of international importance for our country.

Canada's universities must have the infrastructure necessary to sustain high quality research and to attract and retain researchers of an international calibre. Canada must have the capacity to develop and sustain national initiatives in research. To quote from the brief of the Association of Universities and Colleges of Canada to the House of Commons Finance Committee regarding this bill:

> Canada must have the capacity to develop and sustain national initiatives in research. Neither can be guaranteed if decisions regarding the provision of infrastructure support — the key to sustained high performance in research — are devolved to the provinces. The importance of research transcends provincial boundaries.

In other words, there is a national and international dimension to it.

The Canadian Association of University Teachers or CAUT, representing some 32,000 university teachers across the land, stated that they believe that the Liberal plan — and I use the word "plan" advisedly — "will seriously affect the accessibility to and the quality of higher education." CAUT summarized its thoughts on this matter in this way:

> 1) Maintain an explicit federal presence in the funding of post-secondary education;
>
> 2) Designate separately the funding for health, post-secondary education and social assistance within the proposed new transfer arrangements.

Again, to quote Mr. Diefenbaker from the House of Commons Debates of May 26, 1966:

> If you ask this government what they are going to do, you get the stock answer that this matter is receiving the most careful and continuing consideration. One does not have to be a linguistics expert to understand what that means.

The biggest issues facing our universities in this country today are, in short, excellence, accountability and accessibility. Universities foster the dual purpose of research and training. Often they are asked to meet other roles, such as public education and advocacy. To accomplish these things effectively, universities must consider how to précis their activities in order to maintain solvency because, as we all know, the funds available to universities are limited.

The clear need to restructure will present many difficulties to universities and administrators across Canada. Tangible benefits await us all when the kind of thoughtful restructuring in which universities inevitably engage takes place. Unfortunately, I do not think that Bill C-76 is a help in this matter, but rather may be a serious hindrance.

[*Translation*]

**The Hon. the Speaker:** I wish to inform the Senate that if Senator Corbin speaks now, his speech will have the effect of closing debate on second reading of this bill.

**Hon. Eymard G. Corbin:** Honourable senators, I would like to thank honourable senators opposite who took part in this debate, especially Senator Spivak, Senator Keon, Senator Cochrane, Senator Gustafson, Senator Rivest and Senator Kinsella.

At this point I could, of course, start a debate since I do not necessarily agree with everything that was said. However, I must admit that honourable senators opposite were very sincere. There were differences in perspective as to the future of federal-provincial policies and programs. As Senator Rivest pointed out, Quebec continues to demand more autonomy.

I have no quarrel with this statement. I heard it, and I must admit it is true. However, the Minister of Finance made certain commitments, after pointing out to the provinces in a previous budget that he intended to take that route, and has again promised to consult with the provinces and discuss ways to develop the best possible agreements.

I do not think it would be useful to add anything else at this stage. The members of the National Finance Committee, to which this bill will be referred, already have a bulky information document they were given by the Department of Finance through the clerk of the committee. I believe the chairman of the committee intends to call a meeting of the National Finance Committee this afternoon in order to begin a more thorough study of this bill.

Very briefly, I want to thank all those who made such a vigorous and sincere contribution to this debate.

[*English*]

**The Hon. the Speaker:** Honourable senators, it was moved by the Honourable Senator Corbin, seconded by the Honourable Senator Lewis, that this bill be read the second time.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** When shall this bill be read the third time?

[*Translation*]

**Hon. Senator Eymard G. Corbin:** Honourable senators, I move that Bill C-76 be referred to the Standing Senate Committee on National Finance.

[*English*]

**Hon. Lowell Murray:** Before the motion is put, perhaps I may be permitted a word in my capacity as Chairman of the Standing Senate Committee on National Finance.

I confirm what Senator Corbin said a few moments ago. In the hope and expectation that this bill would be sent to committee this afternoon, we have alerted members of the committee to stand by this afternoon and this evening for meetings. We have convened a meeting at 5:15 this afternoon in room 356-S.

• (1500)

The Parliamentary Secretary to the Minister of Finance will be present, as will senior officials from half a dozen or more government departments whose legislation is repealed or amended in this bill — that is, from the departments of Agriculture, Transport, Finance, Veterans Affairs, and others. That will be at 5:15 this afternoon.

At seven o'clock and eight o'clock tonight we will hear from Professor Judith Maxwell and Professor Keith Banting respectively, who will focus on the proposed Canada Social Transfer. Tomorrow morning at eleven o'clock, we will meet again to hear from several public service unions and from the National Council on Welfare. All this has been done in consultation with the deputy chairman of the committee, Senator Olson, and Senator Bolduc who, together with the chairman, make up the steering committee.

I wanted to confirm to members of the committee and to all senators who may be interested in these subjects, that the committee will begin its deliberations on this bill at 5:15 this afternoon in Room 356-S.

On motion of Senator Corbin, bill referred to the Standing Senate Committee on National Finance.

## PEARSON AIRPORT AGREEMENTS

FIRST REPORT OF SPECIAL COMMITTEE— DEBATE ADJOURNED

The Senate proceeded to consideration of the First Report of the Special Senate Committee on the Pearson Airport Agreements (Budget), presented in the Senate on June 13, 1995. — (*Honourable Senator MacDonald (Halifax)*).

**Hon. Finlay MacDonald:** Honourable senators, I move the adoption of this report.

**The Hon. the Speaker:** It is moved by the Honourable Senator MacDonald, seconded by the Honourable Senator Doody, that this report be adopted now.

Is it your pleasure, honourable senators, to adopt the motion?

[*Translation*]

**Hon. Jean-Robert Gauthier:** Honourable senators, forgive me for taking a few minutes of your time but I will be quick. I attended the proceedings of the Internal Economy Committee, which reviewed this budget. I asked a few questions and I want some answers to my concerns.

This $298,000 budget includes legal advisers' fees for 65 days at $2,000 per day for a total of $130,000. We are told that the contract was signed for a six–month period from June 6, 1995 to October 31, 1995.

The budget sets aside $65,000 a year for the period between June 6, 1995 and March 31, 1996 for two senior research officers hired for six months. What is the difference between a legal adviser who will work until the end of October and a person who will do research for the committee and whose contract runs until the end of March? Why is there a difference between the two?

[*English*]

**Senator MacDonald:** Honourable senators, we were given one year from the time that this committee was established to bring in our report. I consider that the report will be brought in much sooner than that. However, the committee will have to determine that, so I cannot give the honourable senator an exact time.

In order to tie down one of the best lawyers in Canada, a resident in Ottawa, we entered into a contract for a period ending in October. If it is necessary to have Mr. Nelligan beyond that time, we will enter into a new contract with him. In the case of the matter of a researcher referred to by Senator Gauthier, that contract can be terminated at any time, but we have taken it to the end of the fiscal year.

**Senator Gauthier:** Honourable senators, I should like to ask another question. I understand that we are in a tight situation in this house, and I have heard continuously in the last six months about how the finances of the Senate have been subject to cuts and more cuts. We even had a 10 per cent cut to our budgets. That represents a $4.2 million cut, although I have read in the report tabled by the Chairman of the Internal Economy Committee, Senator Hastings, that a supplementary estimate will be requested for these expenditures, if necessary.

Can the honourable senator tell me where he is getting the money to run this committee right now when everyone is trying to tighten their belts here? Where are we finding $300,000 to finance this study? Does he know, or will we ask for a supplementary estimate?

**Senator MacDonald:** Is the honourable senator directing his question to me or to Senator Hastings?

**Senator Gauthier:** It is directed to you.

**Senator MacDonald:** I have a lot of sympathy for the members of the Internal Economy Committee. They are doing a great job trying to cut the expenses of this place. That is causing a certain amount of inconvenience to certain senators and to certain people who have heretofore been employed. However, there has been no suggestion that there will be any reduction in the amount of money required to meet the burden placed upon a committee of this house. Preparing for what would be expected to be spent on committees in any given year is an inexact science, and it is hoped that many of these budgets will come in under the approved amount.

However, this special committee is dealing with something that we could not plan for. If the work of this Senate and its committees are to depend upon money, we must find that money by way of supplementary estimates.

**Hon. Marcel Prud'homme:** Honourable senators, a day of reflection will be very helpful. According to rule 51, page 57, I now move the adjournment of debate.

[*Translation*]

**The Hon. the Speaker:** Senator Prud'homme, could you give me the name of the senator who is seconding your motion?

[*English*]

**Senator Prud'homme:** I realize my difficulty in being the solo banjo player for the time being, until the hallelujah chorus joins in, but perhaps a volunteer would like to have one day of reflection concerning this matter. This motion will be seconded by Senator Carstairs.

I want to be very fair. I will not drag my feet beyond tomorrow. Usually we do not need to say as much. However, I will debate the issue tomorrow. I hope that we can take 24 hours for reflection, now that the budget is in front of us. Committee members may then ask questions concerning how will it be done and so on. I only ask for 24 hours. I am being very reasonable. I could drag my feet until next week, but I will not. I will be here tomorrow and I will participate in the debate at that time.

[*Translation*]

**The Hon. the Speaker:** Thank you, Senator Prud'homme. You will understand that it is not up to the Chair to decide.

It is moved by the Honorable Senator Prud'homme, seconded by the Honorable Senator Carstairs, that the debate be adjourned until the next sitting.

Is it your pleasure, honourable senators, to adopt the motion?

[*English*]

**Hon. Senators:** Agreed.

POINT OF ORDER

**Hon. Peter A. Stollery:** Honourable senators, this came up suddenly and I am not clear about the implications here. I do not object to a 24-hour delay.

**Hon. Marcel Prud'homme:** Honourable senators, I ask for a ruling from the Chair. The motion was seconded. I did not see any opposition, and now we are reopening the discussion.

**The Hon. the Speaker:** That is correct, and the motion was passed. I presume that Senator Stollery is speaking on a point of order. I saw no one on their feet.

**Senator Stollery:** Honourable senators, I do not want to try the patience of my colleagues, but the subject just came up. Before I had a chance to intervene, the motion was passed. To say that I am reopening the debate is unfair. The debate only started about five minutes ago. I just wanted to participate in the debate.

**The Hon. the Speaker:** Senator Stollery, a motion to adjourn a debate is not a debatable motion. One can vote against it or for it, but it is not a debatable motion. I put the motion to the Senate. There was no objection and, I regret to say, the motion passed.

On motion of Senator Prud'homme, debate adjourned.

• (1510)

## BUSINESS OF THE SENATE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Before moving the adjournment motion, it being 11 minutes past the hour of 3:00, I would like to remind honourable senators that this is a committee day. As has been pointed out by Senator Murray, the Standing Senate Committee on National Finance will be meeting this afternoon and this evening; the Standing Senate Committee on Legal and Constitutional Affairs is presently meeting; the Standing Senate Committee on Internal Economy commenced at 3:00 p.m.; the Standing Senate Committee on Foreign Affairs will commence at 3:15; the Subcommittee on Veterans Affairs also commences at 3:15.

**Hon. John B. Stewart:** Do they have permission?

**Senator Graham:** Perhaps I could complete the list and then explain to honourable senators.

The Standing Senate Committee on Transport and Communications will commence at 4:00; the Standing Senate Committee on Foreign Affairs will commence at 4:30; the Standing Senate Committee on Aboriginal Peoples will commence at 5:45; the Standing Senate Committee on Transport and Communications will meet again at 6:00 p.m.

As has been the tradition here for the past number of years, we sit on Wednesday at 1:30 p.m. hoping to adjourn at three o'clock. Sometimes because of the type of debate, such as the one we had this afternoon, we run over the three o'clock hour.

I understand the valid point raised by Senator Stewart. I am not aware that any committee is sitting that did not have permission to sit while the Senate is sitting.

**Hon. Earl A. Hastings:** Honourable senators, before the adjournment motion is put, may I draw to the attention of honourable senators the information displayed in the Senate Reading Room. Officials from the Department of Public Works, the team that is on hand with respect to the upgrading and rehabilitation of Parliament Hill, are there to answer any questions and to assist any senators with information as to the project.

The Senate adjourned until tomorrow at 2:00 p.m.

# THE SENATE

**Thursday, June 15, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATOR'S STATEMENT

### CANADIAN NATIONAL EXHIBITION

LLIQQUSIVUT, INUIT SPIRIT OF THE ARCTIC PAVILION

**Hon. Charlie Watt:** Honourable senators, at four o'clock this afternoon the Inuit Tapirisat of Canada will be holding a press conference on the front lawn of Parliament Hill to unveil the Iliqqusivut, Inuit Spirit of the Arctic pavilion at this year's Canadian National Exhibition. Federal, territorial and provincial Inuit leaders will be attending to celebrate the announcement of this historical event.

For the 18 days during the Canadian National Exhibition, Inuit will bring a piece of the Arctic to Toronto in their pavilion, Iliqqusivut, Inuit Spirit of the Arctic. In light of the United Nations' announcement of the commencement of the International Decade for Indigenous Peoples, the CNE has chosen Inuit culture as the feature presentation. This decision could not be more appropriate as Inuit are one of Canada's first indigenous peoples, inhabiting one-third of Canada's land mass.

The Inuit pavilion will allow the annual 1.8 million visitors to the Canadian National Exhibition to enter into the Arctic, to hear our famous throat singing, to see our drum dancers and unique Inuit fashions, to participate in Inuit Arctic games, to taste our northern food of char and caribou, to become acquainted with our business and economic development and to purchase unique Inuit carvings, prints, ivory jewelry and clothing.

We know that because of the high cost of transportation, most Canadians will never be able to afford a visit to the North. That is very unfortunate. We therefore bring you our culture — yours to discover. We are trying to bring the North to the South rather than bringing southern people to the North.

The special project will be significant in establishing a better awareness in this house and in Canada about the Canadian Arctic. The Spirit of the Arctic pavilion will highlight Inuit regional identity and will demonstrate the strong Inuit presence in Canada. It will link Inuit with other Canadian citizens, businesses and government in a high profile event in an effort to increase Canadian and international awareness of the cultural, economic and political aspirations of Inuit.

I should like to encourage every senator and all Canadians to take part in this exciting project.

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## ROUTINE PROCEEDINGS

### INFORMATION COMMISSIONER

ANNUAL REPORT TABLED

**The Hon. the Speaker:** Honourable senators, I have the honour to table, in both official languages, the Annual Report of the Information Commissioner for the period 1994-95.

### BUDGET IMPLEMENTATION BILL, 1995

REPORT OF COMMITTEE

**Hon. Lowell Murray,** Chairman of the Standing Senate Committee on National Finance, presented the following report:

Thursday, June 15, 1995

The Standing Senate Committee on National Finance has the honour to present its

FOURTEENTH REPORT

Your Committee, to which was referred Bill C-76, An Act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, has, in obedience to the Order of Reference of Wednesday, June 14, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

LOWELL MURRAY, P.C.
*Chairman*

He said: Honourable senators, I should like to take just one moment of the Senate's time to say a word on behalf of the committee. We intend, on Monday next, to present a brief report, a narrative, commenting on some of the policy issues raised by Bill C-76. The committee heard some very important testimony on these matters from various sources, including the government, over the past several days, and we think it important to place some comments on these matters on the record of the Senate, with a view to providing food for thought for third reading debate and beyond.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

• (1410)

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

TWENTY-SEVENTH TO THIRTY-NINTH REPORTS OF COMMITTEE PRESENTED

**Hon. Consiglio Di Nino,** Deputy Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the committee's twenty-seventh to thirty-ninth reports approving budgets of the following committees:

27th Aboriginal Peoples;

28th Agriculture and Forestry;

29th Banking, Trade and Commerce;

30th Energy, the Environment and Natural Resources;

31st National Finance;

32nd Internal Economy, Budgets and Administration;

33rd Legal and Constitutional Affairs;

34th Library of Parliament;

35th Scrutiny of Regulations;

36th Social Affairs, Science and Technology;

37th Transport and Communications;

38th Official Languages;

39th Veterans Affairs.

(*For text of reports, see today's* Minutes of the Proceedings of the Senate.)

**The Hon. the Speaker:** When shall these reports be taken into consideration?

On motion of Senator Di Nino, reports placed on the Orders of the Day for consideration at the next sitting of the Senate.

## BANKING, TRADE AND COMMERCE

STUDY OF STATE OF CANADIAN FINANCIAL SYSTEM— REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

**Hon. Michael Kirby:** Honourable senators, I have the honour to present the eighteenth report of the Standing Senate Committee on Banking, Trade and Commerce, which requests that the committee be empowered to incur special expenses pursuant to *Procedural Guidelines for the Financial Operation of Senate Committees.*

I ask that this report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Kirby, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## THE BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. M. Lorne Bonnell,** Deputy Chairman, of the Standing Senate Committee on Transport and Communications, presented the following report:

Thursday, June 15, 1995

The Standing Senate Committee on Transport and Communications has the honour to present its

EIGHTH REPORT

Your Committee, to which was referred Bill C-81, An Act to amend An Act respecting the Buffalo and Fort Erie Public Bridge Company, has, in obedience to the Order of Reference of Wednesday, June 7, 1995 examined the said Bill and now reports the same without amendment.

Respectfully submitted,

DONALD H. OLIVER, Q.C.
*Chairman*

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. M. Lorne Bonnell:** Honourable senators, with leave, now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

## BUSINESS OF THE SENATE

ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Monday next, June 19, 1995, at four o'clock.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Pat Carney:** Honourable senators, I should like to ask a question of the Deputy Leader of the Government. Will he explain to honourable senators why four o'clock was chosen, when it is physically impossible for my colleague Senator Perrault and I to be in Ottawa at that time on Monday?

An honourable senator suggests that I should leave on Sunday. That is not an option because sometimes there are other forms of transportation that are not available. The earliest plane does not arrive in Ottawa until half past four or five o'clock in the afternoon.

**Senator Graham:** Honourable senators, I appreciate the concerns expressed by Senator Carney. We have discussed this matter in the past, in person and by long-distance telephone to her home in British Columbia.

Originally, it was anticipated that the Senate would be called back for 8 p.m. on Monday evening. It was then suggested by the leadership on the opposite side that we consider Monday afternoon at 2 p.m. A compromise, at the request of the opposition, of 4 p.m. Monday afternoon was reached.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, the fact of the matter is that, from time to time, in the management of the business of the house compromises have to be made. In this case, we worked out a compromise. We tried our level best to accommodate every honourable senator.

I had the same problem as that expressed by Senator Carney when I had to fly to Ottawa from Regina. I resolved my problem by moving to Ottawa. I do not expect that that is a solution for everyone.

Here we are, and I hesitate to use this phrase, all of us with spring fever, trying to get the business of the chamber done in a timely manner as we approach our summer break. We make accommodations where we can. Unfortunately, we cannot satisfy everyone's needs every time. However, I think this is a fair compromise. In any event, I have given an undertaking to my counterpart opposite that we will do our best to function in this way. While I apologize that we cannot accommodate everyone, I make no apology for the compromise.

• (1420)

**Senator Carney:** It is not a matter of accommodating individual senators; it is a matter of recognizing that this is a country that extends from sea to sea to sea; a country that involves regions, and that this is the house of the regions. Thus, all of us should have an equal opportunity to participate, whether we hail from Montreal, or from the far West Coast, or from the maritimes.

When you set the opening of the Senate at a time when it is physically impossible for some of us to get here because of time zones, then there should be more than an apology given. This is the house of the regions, and it should sit at times when all of the regions can participate.

**Hon. Raymond J. Perrault:** Over the years, I have found that, by and large, there is a lack of understanding on the part of all parties in Ottawa with respect to the travel problems of those who live in the extremities of the country. I recall many occasions when a meeting was scheduled in Ottawa for early in the morning following some major public day such as Remembrance Day, or some other similar event. It is often totally impossible for westerners to completely fulfil their regional obligations and, at the same time, meet the demands of the parliamentary schedule.

**Hon. John B. Stewart:** Honourable senators, this is an opportunity for me to voice a grievance.

From time to time, the Senate does not sit for a week, and we are told that the committees are free to sit during those weeks. If you happen to be on a committee that is having one meeting during a week when the Senate is not sitting, that means that you must come from wherever you happen to live, be it Vancouver, Newfoundland or Rankin Inlet, for that one meeting. I do not wish to exaggerate, but this amounts to a kind of practical amendment of the Constitution in favour of those senators who happen to live in Montreal or Toronto, and for those senators who, like the house leader for the opposition, have decided to live in Ottawa.

Let us realize what is actually happening here: once in a while, Senator Carney and I disagree. On this occasion, I agree with her most emphatically.

**Hon. Marcel Prud'homme:** I am delighted with this debate. Senator Carney has put her finger on exactly what this Senate is all about: a chamber of regions. That is a good reminder for those of us who live in Montreal or Toronto and can appear on a few hours' notice.

However, I should like to make another point on this issue. We hear today, Thursday, that we will sit at four o'clock on Monday. If Senator Carney had made an appointment for Monday in Vancouver, she did so taking for granted that she could still fulfil her duty to be here. If a senator wants to live in Ottawa, that is fine, but each senator decides that on his or her own. Senator Carney has obligations.

The difficulty is that, every Thursday, we hear whether we will sit next week or adjourn for two weeks, or whether we will come back on Monday at two o'clock, six o'clock or eight o'clock. It is impossible for those of us who represent regions to be active when we do not know the schedule ahead of time.

This exchange could be a positive one if we listen to each other and take the point raised by Senator Carney. I agree with her and with Senator Stewart. I am glad that, once in a while, people from opposite sides can agree. The three elements of the Senate now seem to be in agreement, so there must be something there to reflect upon.

**Hon. Colin Kenny:** Honourable senators, I should like to put this into focus. Last year, we only sat for 70 days. This is not an overworked chamber. The arrangements that we are putting in place are to accommodate getting us out of here for the summer.

**Senator Carney:** Where do you live?

**Senator Stewart:** He has to come all the way from Ottawa.

**Senator Kenny:** If senators came once a week or on a regular basis, they might have a case, but if they are just coming periodically, I am much less sympathetic.

**Hon. Eymard G. Corbin:** Honourable senators, I must protest. The senator who has just spoken has suggested that we only sat 70 days last year. I have news for him. As a member of the Committee on Euthanasia and Assisted Suicide, I must say that we sat at least twice that much, and probably more.

Senator Kenny is alluding to sittings of the house. He does not include committee work, and I think that is a distortion of the facts.

**Senator Prud'homme:** Honourable senators, I should like to respond to the comments of my friend Senator Kenny. I think it is wrong to perpetuate the thinking that we only sat 70 days.

I am here, by choice, five days a week. When the Senate is not sitting, I am in the gallery of the House of Commons, learning about the bills that will be coming to this place. For instance, this morning they discussed Bill C-69 on redistribution. You should follow that debate attentively. They are also discussing Bill C-41 and gun control. I see many colleagues who attend at the other side. I call that work.

While it may be true that we sat for 70 days in the Senate chamber, as Senator Kenny has stated, we should stop perpetuating the myth in the public's mind that we are only working 70 days. Some senators are attending committee meetings while others are following committees of the House.

I invite colleagues to examine the committees of the House. You would be surprised how helpful it can be with respect to our discussions here.

Motion agreed to.

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• (1430)

# QUESTION PERIOD

## INTERNATIONAL TRADE

### DISPUTE WITH EUROPEAN UNION ON NEWSPRINT— GOVERNMENT POSITION

**Hon. Gerald J. Comeau:** Honourable senators, my question is for the Leader of the Government in the Senate, and concerns the trade showdown between the European Union and Canada.

On Monday, the EU supported a compromise tariff reduction package for Canadian newsprint. That same package, which will see rapid tariff reduction kick in only at the end of the 10-year timetable, had been rejected earlier by the Canadian delegation in Brussels, who argued that it did not go far enough. Canada has threatened retaliatory action against the EU unless an acceptable offer is forthcoming.

Could the leader advise this house whether or not this decision by the EU is the first of what might be many hard-line decisions that will be taken against Canada in retaliation for the turbot war that our government initiated earlier this year?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would want to talk with my colleague, the Minister of International Trade, to find out what the background is on this matter. Until doing so, I would not concur with the honourable senator's suggestion with respect to the reasoning behind that decision. In any event, I will attempt to obtain some further information and convey it to this house.

## FOREIGN AFFAIRS

SALES ABROAD OF CANDU REACTORS—REQUEST FOR STATUS REPORT ON ENVIRONMENTAL AND FINANCIAL CONCERNS

**Hon. Norman K. Atkins:** My question is for the Leader of the Government in the Senate, and concerns the sales abroad of Canada's nuclear technology, specifically its CANDU reactors. It is well documented that some of Canada's efforts internationally have had problems, both from an environmental viewpoint and from a financial one. Two countries which come to mind are Romania and India.

In Romania, cost overruns are in the hundreds of millions of dollars, which have been met by additional Government of Canada loans, and still the reactors are far from complete. India has had a more successful completion record. However, serious operational and safety concerns have recently surfaced, prompting one AECL official to state:

> I guess if we were neighbours, we would be very concerned.

That was reported in *The Globe and Mail* Report on Business.

My question to the leader is this: Could she provide to this chamber a status report on Canada's involvement in these two countries, and the state of our CANDU reactors there? Let me say that I do not expect an answer immediately.

Further, does it concern the government, and in particular the Minister of Foreign Affairs, that the two countries on the potential sales list for Canadian nuclear technology, and rumoured to be in negotiation with Canada, Indonesia and Egypt, were vocal opponents to the signing of the Nuclear Non-Proliferation Treaty, while another, China, has been a conscientious non-practitioner of the accord? Could the Leader of the Government find the information for us on those two questions?

**Hon. Joyce Fairbairn (Leader of the Government):** I would be pleased to obtain that information for Senator Atkins.

## FIREARMS LEGISLATION

STATEMENT ATTRIBUTED TO PRIME MINISTER IN CAUCUS ON VOTING OF DISSENTING MEMBERS—GOVERNMENT POSITION

**Hon. David Tkachuk:** My question is for the Leader of the Government in the Senate. Since the time of Confederation, members of Parliament have discussed their role as to whether they represent their constituents or the national interest. Oftentimes, the debate is within their conscience as to how they should vote or perform.

However, on Bill C-68 I noted that a number of members of Parliament — nine, I think — voted against the bill. I am not sure of the exact number of Liberal members who absented themselves.

A recent newspaper articule mentioned a Liberal caucus meeting. At first, I did not really believe that a newspaper could have a full report of a caucus meeting, until I noticed that the newspaper in question was *The Toronto Star*. It was then that I understood that what had been reported was probably true.

That newspaper report states, in part:

> Chrétien went on to praise MPs such as Ethel Blondin, Jack Anawak and Andrew Mitchell who voted for the bill against the very strong wishes of constituents who fiercely opposed the firearms law.

I would agree with him there. However, the article goes on, quoting a source:

> He said "I know it was hard for them. But I have more respect for them and the ones who stayed away than I have for the ones who bucked us."

Is that the same view that the leader has on this issue?

**Hon. Joyce Fairbairn (Leader of the Government):** As the honourable senator will know from his experience, both here and back in Saskatchewan, the discussions that take place within any caucus are closely held within that caucus, and that is the case, I am sure, with his caucus, as it is with ours. I have no intention of commenting on reports in *The Toronto Star* or any other newspaper on matters that may or may not have been discussed in the Liberal caucus.

**Senator Tkachuk:** Let us move it to a more philosophical and hypothetical plane and say that none of this may have happened in the caucus meeting, although I believe it did.

Would it be the leader's view that when members do not agree with the position of their party on an issue, they should shirk their responsibility to their constituents by simply not showing up in the House of Commons in great numbers, rather than voting one way or the other?

**Senator Fairbairn:** Honourable senators, I am sure that all of us could have interesting philosophical discussions outside of this chamber. However, what occurs in the other place, or within any of our caucuses, is not the business of this house. It is the business of the individuals who represent their various parties. I have absolutely no comment to make on such hypothetical questions.

## NATIONAL DEFENCE

PEACEKEEPING IN BOSNIA—STATUS OF CANADIANS HELD HOSTAGE—POSSIBLE DISCUSSION OF SET-UP OF UN FORCE AT G-7 SUMMIT—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** I have a question for the Leader of the Government in the Senate in relation to the events in Bosnia today, and the fate of the remaining Canadian Armed Forces personnel who are still being held hostage.

News reports continue to indicate that Bosnian government troops have taken up their positions around Sarajevo, and that the Canadian base near Visoko has been barricaded. Against that backdrop, we have 12 Canadian peacekeepers still being held captive by the Bosnian Serbs.

• (1440)

Although there have been repeated denials, every indication would seem to be that the Prime Minister will announce to the G-7 summit, that is being held across the harbour from Dartmouth, that Canada will join Britain, France and the Netherlands in the rapid deployment force.

The Minister of Foreign Affairs has played down somewhat the urgency of taking any action. However, given the events of this morning and last night and the probability of further deterioration tonight and tomorrow in that country, could the Leader of the Government in the Senate bring us up to date and give us an indication of what happened today? It is now 11 p.m. in Bosnia, and the activity of the day has pretty well calmed down. Is there any intelligence or indication of the well-being of our armed forces personnel?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank my honourable friend for the notice that he sent to me of his intention to ask this question today.

As of when I came into the chamber this afternoon, the news was still that 12 of our Canadian peacekeepers are currently prevented from returning to their base at Visoko; 11 of them at last report were still in Ilijas and one, Captain Rechner, is still in Pale. They are all reported to be in good condition.

However, based on the escalation of this situation yesterday, both the Minister of National Defence and the Minister of Foreign Affairs have made vigorous diplomatic interventions with their counterparts on behalf of our peacekeepers.

The Minister of National Defence called in the Yugoslav chargé d'affaires in Ottawa to urge the Serbian authorities to use their influence with the Bosnian Serb leadership to free all Canadian hostages immediately, and a similar message was transmitted through our embassy in Belgrade. At the same time, the Honourable André Ouellet, Minister of Foreign Affairs, has contacted his Bosnian counterpart to express our grave concern over the Bosnian government's plans to launch an offensive around Visoko and Ilijas at a time when Canadian peacekeepers are still being detained. He has called on the Bosnian government to allow the return of all of our hostages to their base. The same message has been passed on to the Bosnian chargé d'affaires in New York.

The government is obviously extremely concerned about the actions in that part of the former Yugoslavia. We are doing everything in our power and using every pressure point we can to effect the release of those Canadians.

On the question of the rapid reaction force, I can only say to my honourable friend — which may well frustrate him, but my sources have been the Prime Minister and the Minister of Foreign Affairs — that no decision was taken prior to going to the summit. There will be active discussions there among the countries involved. Canada has questions. The Prime Minister has questions that have to be answered before a decision can be taken. This was reiterated today by the Minister of Foreign Affairs in media interviews in Halifax.

At this point I cannot indicate to my honourable friend whether or not that decision will be taken in Halifax at the summit. There are outstanding questions to which the Canadian government would like some answers before committing the force further in this direction: Who would command the force? Where would the force be located? What type of force would this group be empowered to use and have the authorization to use? Until there is clarification of some of those issues, and there may be others as well, there will be no Canadian decision.

**Senator Forrestall:** Honourable senators, surely there must be some linkage in the sense that the rapid deployment force would be one of the instruments available to the UNPROFOR and anyone else on the scene there to protect those hostages. Surely there is a linkage in that sense.

May I ask to what contingency plans the Leader of the Government in the Senate may be privy to ensure that these 12 hostages, 11 in particular, will not be used as human shields by the Bosnians?

Perhaps the Leader of the Government could also give us some indication as to whether or not there has been any response to the position put forward by Canadian officials in Canada, at the United Nations, and in the former Yugoslavia as to why Canadians are the only hostages being detained?

**Senator Fairbairn:** Honourable senators, this morning I was involved in a number of conversations and calls and by two o'clock when I came into the chamber I had received no response. To say the least, the situation in that area is extremely unstable with troop movements, the peacekeeping involvement, and the build-up of forces in that area.

The Canadian government, along with other countries involved, has obviously discussed on a contingency basis possible plans for withdrawal procedures. At this point in time, I cannot give any guarantees to my honourable friend, and I am not sure that on-the-ground guarantees can be given at this point. Everything that is humanly possible militarily and diplomatically, is being done by this country and by other countries.

I am not sure, as my honourable friend stated, that Canada is the only country to have its peacekeeping troops detained.

## DELAYED ANSWER TO ORAL QUESTION

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on May 4, 1995, by the Honourable Senator Di Nino regarding the meeting of Minister MacLaren with his British counterpart.

## INTERNATIONAL TRADE

PEARSON AIRPORT AGREEMENTS—MEETING OF MINISTER WITH BRITISH COUNTERPART—REQUEST FOR PARTICULARS

(*Response to question raised by Hon. Consiglio Di Nino on May 4, 1995*)

Minister MacLaren's meeting with his British counterpart took place on June 2, 1994, during a visit to London. The purpose of the meeting was to provide an opportunity for the minister to become acquainted with Michael Heseltine, the British Secretary of State for Trade and Industry, and to exchange views on a broad range of issues.

The Pearson Airport contract was brought up by the British Trade Secretary. A British firm, Allders Ltd, is involved.

A follow-up to the discussion was not requested by anyone attending the meeting.

Allders will not be treated in any way differently from the other firms involved. The Canadian legislative objective is to have a fair and expeditious settlement with all concerned parties, as soon as possible.

[*Translation*]

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

RIDEAU HALL

15 June 1995

Sir,

I have the honour to inform you that The Honourable John Sopinka, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 15th day of June 1995, at 5:15 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. LaRoque
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

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[*English*]

# ORDERS OF THE DAY

## PRIVILEGES, STANDING RULES AND ORDERS

POINT OF ORDER BY SENATOR CORBIN—
RESPONSE BY CHAIRMAN

**Hon. Brenda M. Robertson:** Honourable senators, I ask permission to participate in the discussion of the point of order raised by Senator Corbin earlier this week with regard to the activities of the Standing Committee on Privileges, Standing Rules and Orders and its recent initiatives to study the problems related to joint committees.

I realize that Your Honour has taken the point of order of Senator Corbin under advisement, but I think it is important to expand upon the background of this issue before making a ruling.

**The Hon. the Speaker:** Honourable senators, is it agreed that we should hear Honourable Senator Robertson?

**Hon. Senators:** Agreed.

• (1450)

**Senator Robertson:** Honourable senators, as you recall, the Speaker made a ruling last February on the point of order raised by Senator MacEachen respecting a ruling made by the Speaker of the other place concerning the report of the Special Joint Committee Reviewing Canada's Foreign Policy.

In his ruling, the Speaker of the Senate suggested that the Standing Senate Committee on Privileges, Standing Rules and Orders may wish to undertake an examination of the procedures and practices of joint committees, given that some difficulties have arisen in recent times with respect to their operation.

Subsequently, the Privileges, Standing Rules and Orders Committee discussed whether or not it would be appropriate to make such a study. As honourable senators are aware, that committee is empowered under the *Rules of the Senate* to study proposed amendments to the rules on its own initiative.

Following suggestions from members of our committee, on March 16, 1995, I wrote to the Chairman of the Procedures and House Affairs Committee of the House of Commons. I should like to read into the record both my letter to Mr. Milliken and his response to me. My letter to Mr. Peter Milliken states:

Dear Mr. Milliken:

On Tuesday, February 14, 1995, the Senate Speaker made a ruling on a point of order raised by the Honourable Senator MacEachen, P.C. with regard to the report of the Special Joint Committee Reviewing Canadian Foreign Policy.

In his ruling, a copy of which I am enclosing, our Speaker suggested that the Standing Senate Committee on Privileges, Standing Rules and Orders may wish to consider proposing, in consultation with a committee of the other place, a set of rules governing the operation of joint committees.

Since your Committee is mandated with reviewing the procedures and practices of the House of Commons and its Committees, I am writing to you for your views as to whether such a study would be appropriate. As a basis for discussion, may I suggest the following as examples of issues which may be of concern to both Houses regarding the operation of joint committees:

1. The powers of joint committees and whether identical powers must be given by both Chambers.

2. Voting procedures (e.g. the casting vote of the chair).

3. Rotating the chairmanship of meetings between the co-chairs.

4. A procedure for reprinting reports from standing and special joint committees.

5. The format of such reports and dissenting opinions.

6. The orders of reference of joint committees, i.e. Should they be identical? Should both Houses concur in them before they take effect?

7. The quorum of joint committees.

8. Meetings and meeting rooms, i.e. ensuring that the division bells of both Chambers may be heard, allowing televised broadcasting.

9. The financial administrative procedures of joint committees.

10. The procedure to be followed by joint committees in unprovided cases.

My own view is that, as opposed to a formal joint study by our two committees, perhaps this study could best be handled by creating an informal working group of Senators and Members of the House of Commons representing both committees which could review these matters and report back.

Thank you for considering this suggestion....

On April 18, I received a letter from Mr. Milliken which stated:

Dear Senator Robertson:

Thank you for your letter of March 16, 1995, regarding the operation of joint committees.

Your letter was considered by the Standing Committee on Procedure and House Affairs at its meeting on Tuesday, March 28, 1995. At that time, the Committee concurred with your suggestion that an informal working group of Senators and Members of the House of Commons representing both committees be established to review these matters and to report back to our respective committees, and adopted a motion to this effect. The motion also requested that committee staff from both Houses assist this informal working group.

I am in the process of consulting the members of the Standing Committee, and hope to have the names of the members of this informal working group shortly. I would expect that the group would be in a position to meet shortly after the Senate returns after the Easter break, and would expect that a meeting could be set up by the clerks of the two Committees.

However, honourable senators, it was my original intention that the senators who would serve on this informal working group would not necessarily be members of the Senate Committee on Privileges, Standing Rules and Orders. I believe it to be important that the senators who meet with members of the other place have experience on joint committees and be familiar with their operations. However, as it turns out, the senators whom our committee has chosen are Senators Grimard and Gauthier, both of whom have had extensive experience on joint committees, and both of whom are members of our committee.

Again, as my March 16 letter indicates, it was not our intention that this be a formal joint study. If it were to be a formal study, I would agree with Senator Corbin that the normal procedure should be followed, namely, that there should be a motion of the Senate authorizing such a study, and ordering that a message be sent to the House of Commons requesting that they join with us in that particular study. However, we did not feel that this was necessary at this point in time as ours was to be an informal study in which a small group of members from both Houses would examine specific issues and make suggestions to both committees, which would then consider the recommendations.

Last month, just before the group was to meet for the first time, some doubts were expressed to me about whether our committee had all the necessary powers to conduct the study. I therefore proposed a motion on May 25, 1995 that the Standing Senate Committee on Privileges, Standing Rules and Orders be authorized to act jointly with the House of Commons Standing Committee on Procedure and House Affairs with regard to examination of the rules governing the operation of joint committees.

This wording followed very closely that used by the Standing Senate Committee on Agriculture and Forestry in its order of reference adopted on June 7, 1994, respecting the future of agriculture in Canada, as well as the wording found in the order of reference dated June 29, 1983, with regard to the creation by the Senate of the Special Committee Reviewing the Security Intelligence Bill, which committee was chaired by Senator Pitfield.

Again, I reiterate that this is not a formal study by a joint committee. The report issued will be in the form of recommendations to the respective committees. Mr. Milliken, in his April 18 letter, agrees that this will be an informal working group. I might advise the house that this group has already met, and is pursuing the directions of both committees.

**The Hon. the Speaker:** I wish to thank honourable Senator Robertson for her comments, which will assist me in making my ruling on the point of order raised by Senator Corbin.

As the matter has been reopened, do any other senators wish to make comments on the point of order?

**Hon. Eymard G. Corbin:** Honourable senators, I gather this is not a new point of order. Therefore, I am precluded from commenting upon it. Is that the case?

**The Hon. the Speaker:** This is the point of order that you raised the other day, and which I took under advisement. Unfortunately, Senator Robertson, the Chairman of the Privileges, Standing Rules and Orders Committee, was not present in the chamber at that time, and asked leave of the Senate to make her comments today. Leave has been granted, and she has made her comments. As the matter has been reopened, it is only fair that if other members wish to participate, they should do so.

**Hon. Allan J. MacEachen:** Honourable senators, I have one concern relating to the subject–matter of this informal study. It is not a concern that is intended to undermine the importance of the study, but as I listened to the senator, I wondered whether the question of the representation of each House on joint committees would be reviewed.

As I understand it, the practice is that there is often a majority from the House of Commons on joint committees. Inasmuch as there will be an informal study, that raises the question as to how the equality of the Houses is respected — that is, if there is a majority from the House of Commons or a majority from the Senate.

We have gone over the ground frequently here with respect to the legislative powers of the Senate. With well-understood exceptions, the legislative powers of the Senate are identical to those of the House of Commons. Therefore, how do we face this question? If we acknowledge that there must be a majority from the House of Commons on the membership of joint committees, it puts the Senate in a permanent subordinate position.

**Senator Robertson:** I thank Senator MacEachen for his comments. Although not specified in the reference that I mentioned to you a few moments ago, I notice that Senator Gauthier and Senator Grimard are here. As our representatives on that informal committee, you can rest assured that your concerns will be well expressed. We shall report back in due course.

**Senator Corbin:** I wish to thank Senator Robertson for her explanation. It would have been most useful — that is, since I was present here at the time she made the motion — for me to have requested that she explain the reason behind her motion. In any case, honourable senators, we have that explanation before us now.

I only wish to add that, on the basis of what Senator Robertson has said, if what is proposed is an informal study by a group of persons not necessarily members of the committee, is the permission of the Senate then required? On the other hand, if permission is required, should we not proceed in accordance with the standing practices and traditions of this house in its normal conduct of business with the other place?

• (1500)

**Senator Robertson:** Honourable senators, I can appreciate Senator Corbin's concern. I thank him for raising this issue.

As I have identified, it is an informal structure right now. Our members are from the Standing Committee on Privileges, Standing Rules and Orders. At some point, we will be bringing back to this chamber information from that informal study, and we will see what ensues. I wanted to bring this information to the house before the Speaker made his ruling.

**The Hon. the Speaker:** If no other honourable senators wish to participate in this discussion on this point of order, I thank those who have for their comments. The matter remains under advisement and I will make my ruling at a later date.

## CANADA COUNCIL

CLOSURE OF ART BANK—REVISED NOTICE OF INQUIRY

Leave having been given to revert to Notices of Inquiry:

**Hon. Eymard G. Corbin:** Honourable senators, I wish to revise my notice of inquiry of yesterday by changing the date of Wednesday next, because it will be a short sitting to allow for committee work. Therefore, I give notice that on Tuesday, June 20, I will bring to the Senate's attention that, for all intents and purposes, artistic and cultural groups unanimously opposed the announced closure of the Art Bank of the Canada Council.

**The Hon. the Speaker:** Is it agreeable, honourable senators, to make this change?

**Hon. Senators:** Agreed.

## IMMIGRATION ACT
## CITIZENSHIP ACT
## CUSTOMS ACT

BILL TO AMEND—THIRD READING

**Hon. Peter Bosa** moved the third reading of Bill C-44, to amend the Immigration Act and the Citizenship Act and to make a consequential amendment to the Customs Act.

**Hon. Consiglio Di Nino:** Honourable senators, prior to making some brief remarks, I wish to thank the committee for the courtesies extended to me as a temporary committee member while dealing with this bill. Members were more than fair and I would like to express my appreciation.

I rise today to speak to the changes to the Immigration Act in Bill C-44 and, more specifically, the issues of concern which were raised at meetings of the Standing Senate Committee on Social Affairs, Science and Technology.

I was both surprised and disturbed when almost all of the witnesses who appeared before the Senate committee stated that their organizations were not consulted by the Minister of Citizenship and Immigration or his officials regarding this bill.

The Canadian Bar Association, the Quebec Bar Association, the Canadian Council for Refugees, the Canadian Police Association, and the customs and immigration unions, among others, stated that they were not consulted and were not aware of the changes contained in this legislation prior to its introduction in Parliament.

For a government and a minister who constantly assert that they listen and consult interested Canadians prior to modifying legislation, they appear to have neglected their pledge in this instance.

The bill that the Senate committee has examined over the past three months, in concert with these professional associations and other interested Canadians, concerns only one, yet consequential, aspect of immigration: That of enforcement. The Immigration Act clearly states that the protection of Canadian society is a key principle of all changes to the act, and all changes to the act should reflect this principle.

The commitment to safeguard Canadians must remain a paramount concern of our immigration policy. We must not forsake this obligation in the interest of placating those few who would tear down our borders, who would seek to break our laws, and who would abuse our generosity and compassion.

Although there are only a few who attempt to erode our legal and immigration systems, the government must ensure that our protection is not diminished. To abdicate this responsibility will contribute to a less tolerant and a less generous immigration policy.

Bill C-44 is an extension of the former government's substantial overhaul of the Immigration Act in Bill C-86. In fact, a number of the amendments serve to further define the original objectives of Bill C-86. To that extent, I support the general thrust of Bill C-44.

It is somewhat ironic that we now have a Liberal government that, when in opposition, criticized and voted against Bill C-86 and, whilst in power, has borrowed many of the chief objectives formulated by the previous government.

That being said, I must generally lend my support to the provisions within Bill C-44, including those that deny day passes to or temporary release of foreign offenders awaiting deportation. I am also in agreement with providing more powers to customs and immigration officials in order that they may prevent the entry of fraudulent documents and contraband.

However, there are some aspects of this bill which should be amended and, in fact, tightened. To this end, the Senate committee has identified three major areas of concern. The first and most significant is related to the appeals offered to serious criminals who wish to remain in Canada. The government has neglected to ensure that terrorists, war criminals, and spies are denied the avenue of appeal to the appeal division with respect to humanitarian and compassionate consideration. They have admitted that this is the case.

In other words, if you hit someone in a bar-room brawl, you are denied an appeal on equitable grounds. However, if the Canadian government has reason to believe that you are a war criminal, you are allowed access to the appeal division for compassionate consideration. This is completely unacceptable. It is not acceptable to me as a member of the Senate, and, I would imagine, it is not acceptable to Canadians.

We have been assured by ministry officials that this oversight will be addressed in the near future by way of further changes to the legislation.

The second concern involves the fundamental right to due process, the fact that we are all innocent until proven guilty. The bill contains a particular provision dealing with the importation of fraudulent documents. This provision appears to set a reverse onus in that, if someone receives documents which turn out to be fraudulent, he or she may be required to prove that he or she did not intend to receive the documents.

The officials tell us that they believe the onus is on the Crown to prove intent. I am still uncomfortable with that provision. We are asking the minister, through a recommendation, to ensure that innocent Canadians are not exposed to embarrassment, cost or suffering because of this clause.

The third concern involves the amount of time an individual will have in which to proffer submissions for humanitarian and compassionate consideration to the minister. Many witnesses outlined the fact that 15 days was not sufficient time to complete their case. The committee would like to see that time period extended to 30 days. This would also be consistent with other parts of the Immigration Act. Officials have assured us that, in practice, the 15-day period is regularly extended to accommodate reasonable requests.

We have suggested other recommendations. The first is directly related to the first concern regarding the denial of appeal rights to serious criminals and serious offenders. Bill C-44 states that those who have committed serious criminal offences punishable by 10 years or more will be denied appeal. In our opinion, there are many other serious criminal offences — such as, importing a restricted weapon, public incitement of hatred, advocating genocide — which are not liable to 10 years or more of incarceration. One must question the viability and the usefulness of such a high threshold.

Frankly with all of the emphasis this government is placing on gun control, I am surprised that this legislation is not more indicative of their stated priority.

Therefore, we have suggested that other serious crimes, such as the ones mentioned above, be included in the list of crimes which will be denied appeal rights, thereby indicating the level of protection that Canadians want reflected in their immigration policy.

We have also recommended that the minister provide written reasons why an individual will be disallowed an appeal and also that the minister provide an annual report to Parliament on the number of danger-to-the-public certificates conferred within that year. As in the issuance of ministerial permits, the government must be held accountable to Parliament for its actions. Accountability is vitally important when legislation provides such wide and discretionary powers.

• (1510)

The Senate committee also recommends that the government review and amend the Canada Customs Act and the Canada Post Corporation Act in reference to the fact that customs and immigration officials are powerless to stop the importation of fraudulent documents or contraband if it arrives in Canada in mail weighing less than 30 grams. Many identity and immigration documents weigh less than 30 grams. This represents a serious loophole in Bill C-44 and existing customs and Canada Post legislation. If the government is serious about stemming the tide of abuse of our immigration system, it must act to secure our borders and mail systems from all fraudulent documents and acts.

The final recommendation, and clearly the most important one, is that the government give priority to ensuring that those charged with the responsibility to administer the act are given a clear mandate and sufficient resources to carry it out in order to protect our citizens. This may seem like a simple and straightforward concept which should already exist in law and practice. However, enforcement has become the forgotten child of immigration. It is not politically correct to discuss enforcement and immigration in the same breath. Internal documents have painted a frightening picture of the lack of leadership and structure with respect to the immigration enforcement branch.

I caution my colleagues and the Minister of Citizenship and Immigration that if this ministerial and departmental neglect is allowed to continue, regardless of legislation like Bill C-44, there will be more abuse and more victims. The support of Canadians for immigration will be seriously weakened if they perceive that criminals and undesirables are being allowed to enter Canada. The few who abuse the system must be dealt with sternly and quickly.

I am an immigrant to Canada, like many of my colleagues here in the Senate, and I do not wish to see the immense contribution immigration makes to this country eroded. This can only be avoided if our government does not abandon the protection that Canadians expect and demand.

Honourable senators, Bill C-44 is not the panacea for all that ails the Department of Citizenship and Immigration. In the absence of a clear commitment from the government to immigration enforcement, I can only hope that it is a step in the right direction. The minister and his officials have taken the time to review the recommendations suggested by the committee. These recommendations were formulated with a view to strengthening the provisions of Bill C-44. Given that the minister has signalled his intent to address our concern, we are now prepared to support this legislation.

Departmental representatives have responded to our questions, clarifying some issues. Most important, they have assured us that our concerns will be dealt with within future legislative initiatives. We support the main thrust of Bill C-44 and do not want to delay the implementation of its important provisions. Therefore, we are prepared to give our endorsement to this bill.

**Hon. Peter Bosa:** Honourable senators, it is not my intention to revisit the debate on Bill C-44, to amend the Immigration Act, which has been both wide-ranging and fruitful. However, I wish to say that the government believes this legislation will help to restore some of the public trust in our immigration system which may have been lost by an unrelenting focus on criminality. I hope that the legislation before honourable senators today will shift the focus of immigration away from criminality and back to where it rightfully belongs — immigration as an engine of the economy.

During consideration of the bill in committee, a number of concerns came to the surface which are now part of the recommendations appended to the legislation. Among those concerns are four specific ones which preoccupied members of the committee; the phrase "danger to the public", reverse onus, perceptions about the loss of appeal rights, and the seizure of documents, as well as perceived Charter problems.

There was intense scrutiny on these topics, and some amendments were contemplated. However, with the help of the offices of the department and our Law Clerk and Parliamentary Counsel, we were able to get clarification on the points which troubled us most.

Some of the recommendations request that, in its upcoming legislation, the government modify the appeal provision, deal with the concern that the criterion of "danger to the public" may not be applicable to most war criminals, revisit the reverse onus provision, and ensure that the minister report to Parliament once a year on the cases dealt with under this legislation.

I would be remiss in my duty, honourable senators, if I did not take this opportunity to thank the chairman and all the members of the committee for their hard work and attention to detail. I should particularly like to thank Senators Di Nino, Jessiman, Cochrane and Lavoie-Roux for their insight and thoughtful analysis.

The recommendations which have been made have isolated certain slight anomalies in the bill and will help strengthen the legislation in the next round of amendments. I know that these recommendations will be taken seriously. I am very pleased that the bill was reported without amendment. This illustrates what the Minister of Immigration has been saying all along: this is good legislation which must be implemented quickly.

On behalf of the minister, I should like to thank honourable senators for having given this bill speedy passage.

Motion agreed to and bill read third time and passed.

[*Translation*]

## PEARSON AIRPORT AGREEMENTS

FIRST REPORT OF SPECIAL COMMITTEE ADOPTED

On the Order:

> Resuming the debate on the motion of the Honourable Senator MacDonald (*Halifax*), seconded by the Honourable Senator Doody, for the adoption of the first report of the Special Committee of the Senate on the Pearson Airport Agreements (Budget), which was presented to the Senate on June 13, 1995.— (*Honourable Marcel Prud'homme*)

**Honourable Marcel Prud'homme:** Honourable senators, true to my words of yesterday, I will not abuse the situation by unduly delaying a decision concerning this committee which is examining an issue which we in the Senate have already studied long enough, I think.

[*English*]

You will remember that at almost this time last year, we had a debate in the house on report stage of Bill C-22. I am still grateful to Senator Murray for having given me a chance to put my views forth to the Senate. I moved that the report not be adopted at that time but be returned to the Legal and Constitutional Affairs Committee, presided over by the Honourable Senator Beaudoin, with the proviso that he should call before the committee Mr. Robert Nixon. Mr. Nixon made a very short report subtitled "Pearson Airport Review", dated November 29, 1993. Many people in the press seem not to have read that report.

It was the wish of the Senate not to proceed with my motion at report stage. I was convinced then, and I am more so today, that that would have been sufficient. However, it was indicated by some senators that I may be moving to send it to the wrong committee. Not being stubborn, the next day I proposed that the bill not be read the third time. Having listened to the good advice of Senator Lynch-Staunton and others, that I may have chosen the wrong committee, I proposed that the bill be sent back to the Transport and Communications Committee, presided over by Senator Oliver. No instruction was issued to call in Mr. Nixon. After all, the debate today is as a result of Mr. Nixon's report. At that time, in its wisdom the Senate did not see fit to utilize my solution, which I am sure would have terminated the debate.

• (1520)

We carried on with our amendments which were conveyed to the House of Commons, which House rejected them. Therefore, the "Pearson affair" is still in committee.

My doubts as to the wisdom of having the committee inquire into this matter at this time are many. My first concern is that the matter is being studied by two different bodies. It is still before the Senate committee chaired by Senator Beaudoin and it is still before the courts. For some, that should be enough.

I understand that the Minister of Transport, with whom I am friends, did not help in terms of his rapport with some senators. At times, I found myself wondering if his anger was not directed at the Senate as a whole. I hope that is not the case. We are now faced with a difficult situation in which we are asking a Senate committee to study the so-called Pearson "affair".

The business in the House of Commons proceeds most rapidly. If honourable senators do not believe that is the case, all they have to do is attend in the Senate Gallery in the House of Commons to watch the proceedings. The business of that place is being steam-rolled by the government, which expects the Senate to rubber-stamp everything next week. We may have some news for them, I do not know.

Honourable senators, we in this place are at least more orderly. It was the wish of the majority here, to which I bow, to strike a committee to study the Pearson airport agreements. However, the matter did not stop there. The duty to strike a committee of seven members was given to the two Whips in this place, Senators Hébert and Kinsella. That is their responsibility.

This decision has to be accepted by the Senate. I like that. There is more openness here than exists in the House of Commons.

We approved the names of those distinguished senators who will sacrifice their summer, if the committee sits this summer. They met and elected a very able and pleasant chairman in Senator Finlay MacDonald. The next step was to take the matter before the Internal Economy Committee to ask for money. The committee put forward a budget. They say that this committee will cost some $298,000. However, they are careful in their motion. They were not so sure about the cost and they therefore ask, if necessary, for a supplementary budget.

I am of the opinion that a lot of indirect costs are not being taken into account here, although I was told otherwise by staff. However, my experience has taught me that we will need messengers who otherwise would be on vacation. We will need clerks and other personnel. These indirect costs are not being taken into account at the moment.

My attendance at the Internal Economy Committee meeting was most educational. Honourable senators know that I am not a member of any committee, something which I hope will be solved eventually. I show my interest by attending almost every meeting of the committee.

While the Internal Economy Committee was dealing with the budget for the Pearson Committee, it was considering the budgets of the standing committees. The members of the committee took their decision rapidly. To my surprise, it was a Liberal who proposed the adoption of the budget for this committee.

Honourable senators made their appearances before the committee in order to present their budgets. After all, it is in the committees of the Senate where the real activities take place.

I look around and see the distinguished chairman of my favourite committee, the Foreign Affairs Committee. I refer to the Honourable Senator Stewart. Perhaps one day the Senate will see fit to make me a member of that committee. However, I will not go on my knees begging to become a member of that committee.

Senator Stewart presented his budget before Internal Economy. We all know that he is a serious man. He was told, "No problem. We have no need for an explanation. We will inform you later on as to your request." In other words, he should not begin any activities or start spending money with respect to the affairs of the committee.

The chairmen of other committees presented their budgets to the committee. The Chairman of the Standing Senate Committee on Banking, Trade and Commerce, Senator Kirby, seconded by Senator Rizzuto, of course, presented his budget. This is serious stuff. Senator Kirby was told, "Thank you. We will advise you if we accept your budget or not." I find the whole thing rather strange.

Senator Sylvain, a very distinguished gentleman, presented his budget for his committee and was told the same thing.

The Honourable Pat Carney from British Columbia presides over the Energy Committee. She appeared before Internal Economy and described the activities of her committee. She was told, "Thank you. We will advise you as to your request."

I could name other committees and their chairmen. I am surprised that the chairpersons of these committees are told, "We will advise you."

• (1530)

As for the Pearson Committee, the budget was approved right away. We still have not found the money. That is another of my arguments. We do not know where the money will come from. The Senate has asked that the committee show some restraint in its expenses.

Honourable senators, I was very happy when Senator Neiman produced the report of the Special Senate Committee on Euthanasia and Assisted Suicide. A lot of work was done, faithfully on our behalf, by Senator Carstairs, Senator Neiman, Senator Corbin, Senator Lavoie-Roux, Senator DeWare, Senator Beaudoin and our famous cardiologist, Senator Keon. Did we ever agonize over finding the money for something that is a pearl for us, such as that committee? I have spoken on radio programs regarding the seriousness of this issue. They indicated that that report was important, and that it is good to start this important discussion.

[*Translation*]

"A societal debate" are the words you used, Senator Lavoie-Roux, on television: It is the start of a societal debate.

[*English*]

No one really expected the Senate to come out in favour of euthanasia. The committee has opened up the discussion in Canada, and the money spent on that report is money well-spent. However, for the Pearson Committee, we do not know that it would not be money well-spent. I question the sagacity of spending a minimum of $300,000. It is open-ended.

[*Translation*]

It is like untendered contracts.

[*English*]

We know how it will start, but we do not know how it will finish. The committee is on a great fishing expedition. Regardless of how tough the chairman will be, he will be unable to stop people from fishing. It is impossible. It is in the nature of politics to make points, and points will be thrown in each other's face. I would bet on that.

Honourable senators, is $300,000 money well-spent when we do not have the money?

[*Translation*]

We talk about scraping a few pennies together, when, as good administrators, we should have some money put aside for rainy days. We would like to have studies on other important subjects such as euthanasia, like the Young Offenders Act and where these young people will be imprisoned.

[*English*]

Listen to what is going on in the House of Commons. It is unbelievable what is being said on les jeunes contrevenants by the Reform Party. It is unacceptable. They are ready to throw everyone in jail forever. I am sure the Senate would like, eventually, to —

[*Translation*]

In French, we talk about looking into the question.

[*English*]

Did anyone listen to the sickly debate taking place? I am ready to stand for anyone who wishes to speak up. Parliament is a place for freedom of thought. However, the speeches made last night, yesterday and the day before on Bill C-31 are enough to make you throw up. I am sure the Senate will study these matters in its gentle and quiet manner.

The Senate does not have the money. The Senate is the master of its own rule. The Senate may have decided yes, it is a good idea, let us have the committee. However, on reflection, they may decide that we should not go ahead with the spending of money we do not have. That is an immense amount of money, and as a good administrator, I think we should reflect on the matter once more.

**The Hon. the Speaker:** It was moved by the Honourable Senator MacDonald, seconded by the Honourable Senator Doody, that this report be adopted. Is it your pleasure, honourable senators, to adopt the motion?

**Senator Prud'homme:** On division.

Motion agreed to and report adopted, on division.

[*Translation*]

## EUTHANASIA AND ASSISTED SUICIDE

CONSIDERATION OF FINAL REPORT OF SPECIAL COMMITTEE— DEBATE CONTINUED

On the order:

Resuming the debate on the consideration of the Final Report of the Special Senate Committee on Euthanasia and Assisted Suicide, entitled: "Of Life and Death", tabled in the Senate on 6th June, 1995. — *(Honourable Senator Lavoie-Roux)*

**Hon. Thérèse Lavoie-Roux:** Honourable senators, I am pleased to have this opportunity today to say a few words about the Report of the Special Senate Committee on Euthanasia and Assisted Suicide.

I will not repeat all the recommendations in the report, which were already mentioned by the Chair of the committee and, yesterday or the day before, if I am not mistaken, by Senator Beaudoin.

Today, I would rather touch on the arguments put forward by the proponents of euthanasia, not exhaustively, but at least my perception of these arguments, and on those against euthanasia, and why I supported the latter in my final conclusions.

In the course of their work, members of the special committee became aware of the very complex issues connected with euthanasia and assisted suicide. We had to consider numerous aspects of life and death; life as a fundamental value in any society; autonomy as a personal value; suffering as an experience generally associated with the end of life; the relationship between the patient, his family and community environment and the health care team.

We had some long discussions that, I must admit, were not always easy, though I hope necessary. Through our attempts at mutual understanding and our resolve to interpret correctly some 150 presentations that were made before the committee, we were able to reach a consensus on a number of points.

First, I want to say that all members of the committee agreed there was a fundamental difference between deliberately causing death and not prolonging life. That is why we made a distinction between euthanasia and assisted suicide, which are deliberate, and measures to alleviate suffering and the cessation or non-initiation of treatment.

We reached a consensus on the development of palliative care and the need not only to develop this kind of care but also to increase research on the alleviation of pain.

We also recommended amending and clarifying the Criminal Code with respect to non-initiation or cessation of treatment. It is a fact that although cessation of treatment or what is also called aggressive treatment has become more readily acceptable, there is still a great deal of what I would call ambiguity about when a physician may do this, under what conditions and in what circumstances.

We have asked for the Criminal Code to be amended but we are also asking for the development of guidelines so that we can have more or less common standards and people will know when and how to act.

Assisted suicide and euthanasia are basically acts whose purpose is to provide a solution by causing death. Two main arguments are generally used to support euthanasia and assisted suicide.

[*English*]

• (1540)

Personal autonomy and dying with dignity were the two main arguments brought to our attention by the various witnesses and the pro-euthanasia members of the committee.

"Personal autonomy cannot exist in isolation from the imperatives of life in the community." I would like to refute this argument, or tell you why I did not accept it. Personal autonomy cannot be absolute. We all need other people if we are to achieve our aspirations, and each of us has an impact on our immediate circle and our community.

Dr. Louis Dionne, Director General of Maison Michel Sarrazin in Quebec City, a home for dying people, stated at page 13:12 of the testimony:

> The principle of self-determination, of the patient's autonomy, goes hand-in-hand with interdependence. We can't have one without the other. We are individuals living in society, a community, and the community has rights when it comes to an individual member's behaviour. Our whole society is based on this...

Dr. Nuala Kenny, at page 20:44 of the testimony, stated:

> Euthanasia and assisted suicide are not private acts of individuals. They require — indeed oblige — the participation of others.

Professor Bernard Keating of Laval University stated:

> Autonomy in isolation from other people is just an abstraction.

In formulating a policy applicable to an entire country, it is important to foresee its repercussions both on individuals and on society as a whole. The public interest does not permit society to condone the exercise of personal choice by a small number of people if those choices would create a situation of insecurity for the population as a whole.

Dr. Elizabeth Latimer was also involved in palliative care, and she told us:

> The prohibition of euthanasia and assisted suicide recognizes that the public good outweighs the interest of the individual patient, even though this prohibition may represent a limitation on individual self-determination.

Moreover — and this is more from a social point of view — legalization of assisted suicide would also convey to the general population an ambiguous message, thereby causing a problem for educators. In their brief, the National Coalition for Concerned Mothers clearly expressed their concern in this regard, and I quote:

> We believe Canada's current debate over the legalization of euthanasia and assisted suicide will have a significant impact on our families. Removing any of the prohibitions against killing in Canada will begin an irreversible erosion of the dignity and quality of life we extend to people who are suffering in circumstances beyond their control. Legalizing euthanasia and assisted suicide will create new options which will ultimately teach our children that it is preferable to end life rather than to expend the energy and resources necessary to display our interdependency and concern for others.

We must also take into account the impact that legalized assisted suicide would inevitably have on the social conscience or our social fabric. If we legalize assisted suicide, are we not sending the message to all the adolescents in difficulty, all the people struggling with depression or problems that seem to be insoluble, that suicide is all right — exactly the opposite of the message we would like them to hear? Is one form of suicide linked to another — at least by the bond of increased acceptance? I think we can witness this in our society.

What would be the foreseeable consequences of legalizing assisted suicide? Some people who consider euthanasia ethically unacceptable believe that assisted suicide could be acceptable because, in their eyes, it is primarily the sick person's responsibility. However, in practice, the assistance provided by the doctor or anyone else might well be perceived as implicitly condoning "death as a solution". They would be helping to trivialize the act of causing death. There would then be only one more step to take to reach the practice of voluntary euthanasia. Assisted suicide could also be used as disguised euthanasia.

Furthermore, once active termination of life becomes a choice for competent people, the grounds for excluding non-competent people from such treatment becomes difficult to defend. Even with the best of safeguards, there will be abuse. For example, how can we truly recognize that someone has not chosen assisted suicide because they feel they are a burden, or because there is pressure from the family or caregivers? Can we hope, realistically, that carefully worded guidelines could prevent this slide toward euthanasia, first voluntary and then involuntary?

The Dutch experience is far from conclusive in this respect. There is considerable controversy over the statistics contained in the Remmelink report that was done in Holland on the practice of euthanasia and assisted suicide. Without pretending to have settled the debate, one can say, in light of the testimony we have heard and read, that in a good many cases the guidelines were not followed. People were euthanized without their consent. Death certificates were also falsified. Euthanasia was not listed as the cause of death, or simply not reported, and the mandatory consultation with another physician, which is one of the safeguards, did not take place.

Moreover — and this is when we talk about the danger of legalizing euthanasia — initially, only terminally ill patients suffering unbearable pain could be euthanized, and only if they so requested, but, gradually, other categories of patients have been included: handicapped newborns, persons with dementia, and so on and so forth.

The Dutch experience with euthanasia has not been going on for long, but so far it offers little reassurance to those who fear that society cannot adopt a policy favourable toward assisted suicide and euthanasia without starting a process that might be hard to control.

The second argument that is often used — and I respect it because our own debates were conducted in respect of each other's point of view — is the famous argument of "dying with dignity". This catch phrase was popularized by the opponents of heroic measures. It meant the refusal of pointless or excessively painful treatment that would only prolong the dying process to no purpose. "Dying with dignity" also meant that the sick person's well-being and the alleviation of any pain he or she might suffer would take precedence over any desire to prolong life, no matter what the cost.

In regard to this first meaning of "dying with dignity", in a common accord we agreed that this should be corrected, and the Criminal Code should be corrected in terms of clarifying the question of therapeutic harassment.

• (1550)

More recently, the phrase has taken on a different connotation. It is sometimes understood to mean "being exempt from living through the terminal stage of life at all". Other users of the phrase claim that enabling the patient to control the moment of his or her death is what gives a certain quality to that death, gives it its dignity. This brings us to the notion of absolute autonomy, which would place freedom to choose above any rule without regard to the nature of the choice.

It is obvious that each of us has a subjective idea of "dignity", whether in life or death. We also have subjective ideas of "happiness", "comfort", and "wealth", and we have considerable latitude to try to obtain what represents for us a successful and worthwhile life. Yet, there are objective standards — for example property rights — that are indispensable in protecting the human rights of all, even if they result in certain limits to individual freedom.

The protection of human life is one of the fundamental rights guaranteed to all — that is, objective values — and it imposes a limit on the freedom to choose subjective values.

The right to "die with dignity" that is universally valid is the right to receive, up to the end, the care needed to relieve one's suffering and to be surrounded by human attention and compassion. It is the right to feel that one still has value as a person.

I would like to quote here the Thomas More Lawyers' Guild. They said:

> The killing of the terminally ill, even at their own request, does not confer dignity. Rather, it suggests that the terminally ill form a group having so little value to society that the lives of its members do not merit the protection extended to all other persons.

[*Translation*]

I would now like to develop a little the arguments of those who were against euthanasia — I was included in that group —. The first is respect for human life.

Respect for life is one of the most universal values running through all societies. It is governed by strict rules which, when broken, generally necessitate criminal proceedings. None of the countries which share our democratic values endorses assisted suicide and euthanasia, except one territory in Australia, which legalized euthanasia on May 25.

In a diverse society, the right to respect for life is a societal value which transcends various religious and cultural values.

As we know, the issue was studied in-depth by the House of Lords in England. While acknowledging that there are individual cases in which people are in agonizing pain at the end of their lives, this committee unanimously concluded that:

> Individual cases do not justify a weakening of the ban on intentional killing, a principle which protects us all.

[*English*]

I had a quotation that I wanted to pass on to you from a study that was carried on in New York State that goes along the same line, but I have lost it in my papers. I am sorry.

[*Translation*]

I would now like to talk about the arguments that should discourage us from agreeing to euthanasia. I would first like to talk about protecting the most vulnerable.

Particularly in a sick and weakened state, people depend a lot on those around them and on the system — and, by system, I mean the medical system —. Because of their situation and often unwittingly, they give them more and more control over their lives. Accordingly, even for competent individuals, it is difficult to determine whether their choice is free and informed.

There is a whole side to this issue we did not, unfortunately, have the time to consider, such as cases of depression and so on, which should be given more serious and perhaps longer consideration.

In a context of legally and socially acceptable assisted suicide, would the expectations of the people around the individual not possibly be a determining factor in the individual's decision.

> People with a terminal illness and their families are extremely vulnerable, and the potential for abuse in such instances is extremely high. Will there ever be a system or a legal principle to really protect patients and other vulnerable individuals? We doubt it.

That is a quote from testimony by Elizabeth Latimer, whom I mentioned earlier. She continues:

> In a world where no attempt is made to find a positive side to old age and suffering, it will become normal to want to have done and abnormal to want to continue living despite the subtle pressures of the community. One's own survival will therefore have to be justified.

Lastly, I would like to quote Dr. David Roy of the Institut de recherche clinique de Montréal. He spoke of various illusions, and I am referring to the last one. He said:

> The last illusion is doubtless the most significant and the most damaging. It involves believing that quality care can still be given to persons who are vulnerable, poor, suffering and abandoned once legislation providing that euthanasia is socially and ethically acceptable has been passed. It would be naive to think that such legislation, adopted by good people with the best humanitarian intentions, would not lead to intolerable abuse by others whose intentions were not the same.

To illustrate the perception of persons with a disability — unfortunately, perhaps we have not listened to them often enough — permit me a somewhat stinging quotation:

> Canada has noted a problem of suicide among young people and has reacted with the question: How can we avoid this? Canada has noted a problem of suicide among native people and reacted with the question: How can we correct this? Canada has noted a problem of suicide among the disabled and reacted with the question: What can we do to help them kill themselves?

That quotation is from Professor Dick Sobsey of the University of Calgary Developmental Disability Centre.

How can we avoid turning too readily to assisted suicide and euthanasia in the context of insufficient financial and institutional resources?

The reality is that our health institutions are faced with major constraints, which will not be eased in the foreseeable future, especially in a society where the proportion of old people is growing rapidly.

[*English*]

• (1600)

I was referring to the context of scarce finance and institutional resources. The Canadian Nurses Association expressed respect and support for the chronically ill and disabled. They also expressed worry that euthanasia could be covertly linked to limited health care resources. Surely, no public policy on euthanasia would ever be proposed on the basis of saving money but, if such a policy were in place, who can say whether financial concerns would not become a consideration within facilities and agencies or even within families.

The Nova Scotia Palliative Care Hospice Association stated:

> We are living in an age of limited resources. Physicians and health care systems face increasing pressures to practice more efficiently and more cost-effectively. Difficult choices will in part be influenced by available funding. If euthanasia were to be an available option, almost certainly there would be a bias toward earlier death for patients who were seriously ill and unlikely to survive.

These are just a few of the representations made to us during the committee's meetings. Several others expressed great concern about euthanasia and assisted suicide in a time when resources are so restricted.

In conclusion, all these arguments weighed heavily against legalizing assisted suicide and still more so against euthanasia. I realize that situations will still happen where individuals will die alone or abandoned or in physical pain which cannot be adequately controlled.

If I had more time, I would read the testimony of Dr. Morrisette from Laval University, who works with AIDS patients. All through our hearings, we were particularly concerned with AIDS patients. Is euthanasia the answer for them or is the answer to give them more resources and to accept them better than we have in the past? There has been some progress but this is still a problem. They have experienced rejection not only from the medical body in its largest sense but also from their families and from society in general. Life is very difficult for AIDS sufferers. My concern remains for those individuals who may die alone.

Can we find the answer to the needs of such people in the legalization of euthanasia and assisted suicide, or would we create a serious risk for the most vulnerable among us and threaten the fundamental values of our life in society? Rather, should not the answer be a greater reliance on positive measures, such as better training for the personnel who work with the terminally ill, more intensive research into pain relief, greater emphasis on palliative care programs?

On those particular recommendations, everyone in the committee was unanimous. Various witnesses, for and against euthanasia, were in agreement on the need for greater palliative care.

If we really want to respect the dignity of the dying, it is urgent that we make available to them the resources that would allow them to live to the last, surrounded by the consideration, respect and affection of their family and caregivers. It is urgent that our health care policies be reoriented in this direction.

I said earlier we had many discussions. We did not always agree and at times it was a very difficult debate. Dr. Mount of the Royal Victoria Hospital is a pioneer in relation to palliative care. His words were full of wisdom and sagacity:

> I do not think that this is a national debate about death with dignity because I would suggest that people who would come down on both sides of the question would favour death with dignity.

All members of the committee agreed.

> Second, I do not feel this debate is helpfully characterized by either pro-life or pro-choice alternatives. Again, I feel that people on both sides of the question would see themselves as holding both views. Third, I think this debate is not about discontinuing or withholding inappropriate life-prolonging treatment, an issue that has been under debate in our country and others for some three decades and on which consensus has largely been reached....

Again, the committee agreed.

> Fourth, this debate is not about double effect. That is the risk of shortening life as a consequence of treatment given for the purpose of alleviating suffering. That may happen as a consequence of good palliative care and it is unrelated to euthanasia or assisted suicide.

The intention is not to kill, but to relieve the pain.

> Fifth, I think this debate is about the best response and the best way for Canada as a nation to respond to the sort of suffering we have heard about.

We have put on the table a great deal of information. I would particularly thank everyone who came before the committee, answered our questions and explained their thoughts. This is also their report. I hope this gives some food for thought for whoever will take over following the tabling of this report.

**Hon. Sharon Carstairs:** Honourable senators, I, too, participated in these hearings. I came to quite different conclusions than those expressed today by Senator Lavoie-Roux.

Rather than a weakness, I see that as the real strength of this report. It adds to the debate in this nation of the very important issues surrounding death and dying in Canadian society. We all brought to this debate different backgrounds of experience, some personal, some practical.

Before I begin today, I want to pay special tribute to the Chair of this committee, Senator Neiman, who will be retiring from this chamber in September of this year. She was participating in her last major project in this chamber. She did so with enthusiasm, with an incredible desire for hard work which pushed us all. She did it with humour. She did it sometimes when I knew she had very severe bronchitis and should have taken to her bed. Her example gave me a wonderful introduction to this chamber.

I was attending committee hearings on euthanasia and assisted suicide before I had even been sworn in, in September of last year.

The other members of the committee also contributed in ways which reflected their own expertise, whether it was Senator Beaudoin and his knowledge of the law, Senator Dr. Keon and his knowledge of health care issues, Senator DeWare and her wonderful experience in social services, Senator Lavoie-Roux and her knowledge as an administrator and a minister of health or Senator Corbin and his years and years of parliamentary experience.

There was another senator who attended frequently, sometimes as a replacement and sometimes just because he developed a wonderful interest in the committee's work. That was Senator Desmarais, who is not with us these days because he is dealing with his own very serious health problems. I want him to know that he was a part of this report. We heard him, we listened to him, we knew what he thought and what he felt. All of our hearts, best wishes and prayers are with him at the present time.

**Hon. Senators:** Hear, hear!

**Senator Carstairs:** I have said that we all came to this debate with a base of personal experience. Honourable senators, I will not forget the phone call that I received in May 1980 in which my mother asked if I would return immediately to Halifax because my father was in a coma.

• (1610)

When I arrived at the Victoria General Hospital — a hospital that my father helped construct when he was Minister of Health in the province of Nova Scotia — it was clear that he was dying. When I returned to visit with my mother, she made a very simple request. She said, "Sharon, go to the hospital, do what must be done. Tell them not to prolong his life beyond its natural end." I did. I requested that they disconnect the machines. In those days that would have been considered passive euthanasia. We have evolved, we have changed. We have new procedures in our society.

Little was I to know that seven months later, in Winnipeg, I would have to go to the Grace Hospital in our city to do the same for my mother.

Yes, I came with that experience to this committee and I shared some of that with the members of the committee.

When we debated these issues of euthanasia and assisted suicide, we recognized very early that it would involve much more than only those two final issues. While I will discuss those, I want to celebrate for a few moments the unanimity that this committee arrived at on so many critical issues facing the Canadian health care system and the issues of death and dying.

We know that there are Canadians who are not receiving palliative care in the moments when they need it, and that is intolerable and unacceptable; some, because they live in rural and remote communities, some because they do not know how to access the appropriate forms of palliation, sometimes because some members of the health care professions are concerned about issues such as perhaps they will become addicted to drugs, as if that is of any consequence to a dying person. We know that there are people in Canada who are dying in pain, without support and without love, and that is not acceptable.

We must develop better palliative care services in the home, in hospices and in hospitals. That challenge must be taken up by governments at the provincial and federal levels to ensure that real change is effected in this nation, and as soon as possible if we wish to continue to think of ourselves as a civilized society.

I say to honourable senators and to the members of the other place, read the recommendations on palliative care. Listen to those recommendations, think about them, respond to them. Respond to the concerns that we expressed about pain control. We have clearly stated that no one should suffer pain. Let us teach our medical students, nurses and homecare workers how to provide adequate amounts of pain relief. There is no excuse not to do so.

If there are requirements to change the Criminal Code, and clearly there seem to be — at least, to the extent of ensuring that the Criminal Code is well understood — then we must do so in order that no doctor or nurse feels that he or she is in violation of the law by providing enough medication for that patient to be relieved of agony. We know that for perhaps up to 5 per cent of patients, we do not have the technology to relieve their pain. We know that for 95 per cent of patients we do, and to do otherwise is not acceptable.

We also made strong recommendations about the withholding and withdrawal of treatment. We again said that if the Criminal Code needs to be amended and adjusted, then let us do so. If we have any understanding of autonomy in this nation, surely autonomy means that if I do not want a treatment, I do not have to have that treatment; or, if I want treatment, that is my right. If doctors are not doing that because they are fearful of legal ramifications, we must ease their concern so that the autonomy of Canadians in this respect is absolutely protected, that there is no question.

We also spent a chapter talking about the need for advanced directives, often called "Living Wills." We know that some provinces, such as Manitoba, have one. One was recently passed in Ontario. Quebec has had one for a long time. Other provinces do not. We also know that there are no protocols between provinces. I question whether, if I was to be hit by a car today in Ontario, my signed, advance directive from Manitoba would be considered valid. I hope it would be, but I have no knowledge or understanding that that would be the case.

All of these recommendations were unanimous. There was no question, no doubt in the minds of the senators that these changes must be made. That is what we should celebrate. We should celebrate those accomplishments of our committee here in presenting our report. We must be unanimous in pushing forward those recommendations to whatever authority, provincial or federal, which must act to ensure that those changes come into force and effect.

I would not do justice to the report or to my views if I did not spend some time discussing with you my concerns about assisted suicide and euthanasia and why I believe that it should be permitted in very limited and very controlled circumstances in Canada.

Honourable senators, I know that people are dying in intolerable pain for which there is no relief. When I think in terms of issues that are obviously human, I have to always look towards those for whom I have the greatest love; certainly my daughters, but above all my husband. I do not want him to die in intolerable pain. I would not allow him to die in intolerable pain. It is as simple as that. I would not allow it, if I could do anything in my power to prevent it. I believe in an expression uttered by Sue Rodriguez, who said, "Whose life is it anyway?" It was her life. It was her autonomy. It was her equality. For her reasons, she no longer wanted to live. They were not my reasons, they were her reasons. She was a rational, competent, warm, caring human being with a 10-year-old child. In her book she said with such passion: "I want to go when he remembers me with some joy in my life. When I can no longer hug him, when I can no longer touch him, I do not want to be here."

Sue Rodriguez made that decision for herself. I think she had the right to make that decision. We will not know, ever, I suspect, whether Sue Rodriguez was euthanized or whether she had an assisted suicide, because everything would depend on her physical capacity at that moment. That is why I not only accepted assisted suicide, but also euthanasia. How can I say to one person, "You can have assistance in your suicide, but if you are too handicapped to assist in your own suicide, then I can do nothing for you." If one accepts assisted suicide in those limited cases, then one must also be prepared to accept, in the spirit of equality, euthanasia for those people, very few in number, who cannot assist in their own suicide. Autonomy and equality of individuals are critical to me.

• (1620)

The powerful argument which is frequently made about changing the law with respect to euthanasia and assisted suicide is that somehow or other we would start on a slippery slope. I suggest to you, honourable senators, that we are already on a slippery slope. In my opinion, it is a far more dangerous slippery slope than a change in the current law would be. I know that acts of assisted suicide and euthanasia are taking place in Canada today, with no rules, no controls and no guidelines. Some people have access; some people do not. There is nothing fair or equitable about that.

In addition, it is dangerous. I suggest that it is dangerous to have the medical profession forced to make decisions of this nature. This is not a decision to be made only by physicians. This is a decision to be made by society and by societal values.

We heard from physicians about the frequency of assisted suicide and euthanasia. We heard from clergymen that it is indeed taking place. I have no doubt that it is taking place in Canada, and I think it should be carefully controlled.

Finally, what I found most interesting in the study of the Dutch experience was that the reason for wanting assisted suicide and euthanasia was rarely pain. The reason given most often by those who requested it was lack of dignity, loss of control over bodily function, dependency upon others and lack of beauty in their life. They had simply had enough. They did not want to live any longer and they thought it was cruel and unusual punishment to be forced to continue in an existence that they no longer wanted. Those were the arguments which touched me greatly in the development of this report.

Honourable senators, this is only the beginning. This report has laid before you and the people of Canada all of the arguments, to the best of our ability. You may be surprised to know that toward the end there was such collegiality that Senator Lavoie-Roux was trying to improve my arguments and I was trying, on occasion, to improve hers. We did that because we wanted a report which truly reflected all the views on this issue, in order that it would not sit on some shelf, unread. We want it to be read and debated, with all of its ramifications.

I thank this chamber for giving me the opportunity to serve on this committee, and I thank the members of the committee for sharing with me their pain, their agony, their thoughtfulness and their effort.

On motion of Senator Bernston, for Senator Keon, debate adjourned.

## CANADA-CHINA RELATIONS

MOTION RESPECTING HUMAN RIGHTS IN CHINA AND TIBET ADOPTED

On the Order:

Resuming the debate on the motion of the Honourable Senator Di Nino, seconded by the Honourable Senator Keon:

That the Senate urge the Government of Canada to express concern over continuing reports of violations of human rights and fundamental freedoms in China and particularly Tibet by local, provincial and national authorities and severe restrictions on the rights of citizens to freedom of assembly, association, expression, religion, as well as to due legal process and fair trial;

That the Senate urge the Government of Canada to encourage the People's Republic of China to take further measures to ensure the observance of all human rights, including the rights of women and children, and to improve the impartial administration of justice;

That the Senate request the Government of Canada to encourage the government of the People's Republic of China to allow foreign delegations to Tibet to study the human rights situation, the state of religious freedom, the status of women, the treatment of Tibetan children and prison conditions;

That the Senate urge the Government of Canada to extend support to Tibetan people in their struggle to regain their freedom and the presentation of their culture;

That the Senate encourage the Government of Canada to support the non-violent efforts of his holiness, the Dalai Lama, to resolve the issue of Tibet, particularly the Dalai Lama's campaign to make Tibet a zone of ahimsa (non-violence) through demilitarization and the protection of Tibet's natural environment; and

That the Senate implore the Government of Canada to ask the Chinese authorities to commence negotiations with his holiness, the Dalai Lama, and the Tibetan government in exile and representatives of the People's Republic of China on the future of Tibet without preconditions. — (*Honourable Senator Berntson*)

On motion of Senator Berntson, for Senator Di Nino, motion adopted.

**The Hon. the Speaker:** Honourable senator, we have reached the end of the Order Paper. I propose, pursuant to rule 135(4), that the Senate suspend its sittings until approximately 5:10 p.m., while we await the arrival of the representative of the Governor General. The bells will ring to recall senators.

The sitting of the Senate was suspended.

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[*Translation*]

## ROYAL ASSENT

The Honourable John Sopinka, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Acting Speaker, the Honourable the Speaker of the Senate said:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable John Sopinka, Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

*The Commission was read by a Clerk at the Table.*

The Honourable the Deputy Governor General was pleased to give the Royal Assent to the following bills:

An Act to establish the Department of Canadian Heritage and to amend and repeal certain other Acts (*Bill C-53, Chapter 11, 1995*)

An Act to amend the Lobbyists Registration Act and to make related amendments to other Acts (*Bill C-43, Chapter 12, 1995*)

An Act to amend the Farm Improvement and Marketing Cooperatives Loans Act (*Bill C-75, Chapter 13, 1995*)

An Act to amend An Act respecting the Buffalo and Fort Erie Public Bridge Company (*Bill C-81, Chapter 14, 1995*)

An Act to amend the Immigration Act and the Citizenship Act and to make a consequential amendment to the Customs Act (*Bill C-44, Chapter 15, 1995*)

The Honourable Robert Kilger, Deputy Speaker of the House of Commons, then addressed the Honourable the Deputy Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996 (*Bill C-97, Chapter 16, 1995*)

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

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The sitting of the Senate was resumed.

The Senate adjourned until Monday, June 19, 1995, at 4 p.m.

# THE SENATE

**Monday, June 19, 1995**

The Senate met at 4:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### THE SENATE

EDITORIAL IN OTTAWA CITIZEN

**Hon. Colin Kenny:** Honourable senators, I wish to bring to your attention the editorial which you have on your desks today. I am not concerned whether the opinion expressed therein is for or against gun control. What I am concerned about is the way in which the editorialists chose to make their arguments, belittling this place.

Too often, we ignore attacks on our colleagues or on this institution, in the belief that responding to them is not worthwhile or that our critics will go away. I am of the school which professes that we should respond to criticism such as this every time we feel that there is an unreasonable or unfounded attack on this institution.

I have tried to do just that in the letter that honourable senators will find reproduced on the over side of the editorial. I should like to encourage my colleagues to do the same when they see the Senate being attacked in this way.

### THE LATE ROBERT LLOYD WENMAN

TRIBUTES

**Hon. Gerry St. Germain:** Honourable senators, I rise to inform the Senate of the passing of a great Canadian who dedicated his life to the service of his community, his province and his country.

Robert Lloyd Wenman passed away peacefully at his home on June 13 after a lengthy illness. He was born on June 19, 1940 in Maidstone, Saskatchewan. Robert Wenman grew up in a small prairie town where he learned the values of self-sufficiency and independent initiative, coupled with a humanitarian concern for others.

Robert Wenman had a distinguished academic career, attending universities in Saskatchewan, Florida, California and Washington. After completing his academic career, he began his professional life as a high school teacher in British Columbia.

In 1966, at the age of 25, Robert became the youngest MLA ever elected to the British Columbia Legislature. In 1972, he retired from provincial politics but continued to serve his community as an alderman, devoting himself to community service projects.

In 1974, Robert Wenman was elected to the House of Commons as the member for Fraser Valley West. He was re-elected in this riding four times until his retirement in August of 1993.

Robert Wenman had a successful parliamentary career. As a member of the provincial legislature, he introduced the province's first greenbelt legislation and continued to work on behalf of environmental issues throughout his legislative career.

As a member of the House of Commons, he served as a member of the Standing Committee on External Affairs, where he was recognized by many for his expertise in Middle Eastern affairs. He was also instrumental in shaping Canada's response to the refugee crisis in Southeast Asia, where his work helped bring aid to thousands of refugee orphan children.

Honourable senators, here is a classic example of where a working parliamentarian contracted a horrific illness while working for his country. He made the ultimate sacrifice, and when I visited him in his final weeks, never once did he complain or criticize.

Robert Wenman was an eternal optimist. He was always concerned about the well-being of others, and constantly put their interests before his own. He was a true leader and a visionary. I recall his interest in environmental issues in British Columbia long before it was fashionable to be working to protect areas such as the Carmanah Valley. Many of us at the time questioned his positions, only to realize later the vision that he possessed.

Robert Wenman is survived by his wife of 32 years, Donna, and their four children Ken, Jill, Kiven and Kraig. He will be remembered for his unselfish service to his fellow man. He brought honour and distinction to all who knew him. He will be missed.

[*Translation*]

**Hon. Marcel Prud'homme:** Honourable senators, I would like to add my words to those of Senator St. Germain. I sat with Mr. Wenman. I am most grateful for having had the opportunity to work with him to create the association known today as the Asia-Pacific Parliamentary Forum. I had the honour of being among those chosen by Speaker Fraser, to go to Singapore with Mr. Wenman.

[*English*]

We had to determine whether it was a viable organization.

On our return, our report to Mr. Fraser was not with respect to the worthiness of the association, but rather, whether or not Canada should join it. In any event, the Speaker was still unsure of this new organization, and sent us back to Singapore to attend a second organizational meeting. I can assure honourable senators that Bob Wenman and I were one voice representing Canada in Singapore.

Last but not least, we attended the inaugural meeting of this same organization in Japan. After that, other members took over, and I disappeared quietly from this organization.

I was happy to participate with Bob Wenman in the meetings of this organization because, even though I was from Montreal, I wanted to show that, in my opinion, the Pacific Rim was extremely important. We encouraged each other. As a result of travelling together, we became good friends. I got to know him quite well. Everything said by Senator St. Germain about him is true. I join with other honourable senators in offering to his wife,Donna, and his family my sincere condolences.

# ROUTINE PROCEEDINGS

## BUDGET IMPLEMENTATION BILL, 1995

SUPPLEMENTARY REPORT OF COMMITTEE TABLED

**Hon. Lowell Murray:** Honourable senators, on Thursday last when, on behalf of the Standing Senate Committee on National Finance, I presented our report on Bill C-76 without amendment, I indicated to the Senate that there was a companion piece being prepared which is really a narrative of the committee's deliberations, with some comments on the bill. I should like to table that report now, for the purpose of providing some food for thought before the debate on third reading.

Therefore, I have the honour to table the fifteenth report of the Standing Senate Committee on National Finance respecting Bill C-76, to implement certain provisions of the budget tabled in Parliament on February 27, 1995, which was reported to the Senate without amendment on June 15, 1995.

Copies of the report are being distributed to honourable senators in both official languages.

## CRIMINAL CODE

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-41, to amend the Criminal Code (sentencing) and other Acts in consequence thereof.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

[*Translation*]

## LEGAL AND CONSTITUTIONAL AFFAIRS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MEET DURING SITTINGS OF THE SENATE

**Hon. Gérald-A. Beaudoin:** Honourable Senators, I give notice that, on Tuesday next, June 20, 1995, I will move:

> That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit, while the Senate is sitting, from Monday, September 25, 1995 to Friday, September 29, 1995 inclusive and that rule 95.(4) be suspended in relation thereto.

[*English*]

The Senate adjourned until tomorrow at 2:00 p.m.

# THE SENATE

**Tuesday, June 20, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### ONTARIO

PROGRESSIVE CONSERVATIVE VICTORY IN PROVINCIAL ELECTION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, any doubt about modesty being one of the many notable characteristics of a Conservative in Canada must by now be totally dispelled by the fact that not one of my colleagues from Ontario has yet risen to draw attention to the magnificent PC victory in their province on June 8, now 12 days ago.

After 10 years of mismanagement, first by a disastrous Liberal-NDP alliance, then an out-of-touch Liberal government, and finally a surreal NDP, Ontario has now returned to its traditional place on the political spectrum.

The election of Mike Harris is a welcome event, not only for his province but for the entire country, for as Ontario goes, so goes Canada.

Mr. Harris has already proferred a hand of cooperation to the national government and to every provincial government, for he is not a prisoner of dogma but a realist in an evolving society. We should all welcome his accession to the premiership of Ontario. It augurs well for us all and reconfirms, in a most tangible fashion, that Conservative values are alive and well in Canada, and not even a blatant attempt by Liberals in Ottawa and elsewhere to adopt them for political survival, rather than deep conviction, will distract Canadians from knowing where they are best protected and nurtured.

**Some Hon. Senators:** Hear, hear!

### FOREIGN POLICY

HUMAN RIGHTS IN RELATION TO TRADE

**Hon. Mira Spivak:** Honourable senators, I wish to register profound disappointment in the government's new foreign policy which severs human rights considerations from trade or foreign aid.

I wish to outline briefly this government's changing position on these issues. The Red Book promised Canadians that this government would "lead the international community in revitalization of human rights as a principle for action and enforcement."

Just six months ago, the Minister of Foreign Affairs, in a newly issued policy document called "Canada in the World," proclaimed:

> A priority field of international concern and action for Canadians has been and remains that of human rights.... An effective human rights policy requires us to make use of positive levers of influence as well as the various forms of sanctions at our disposal.

The ink had barely dried on that document before the minister was hinting to a conference of international organizations that a wind shift was approaching. After some pious thoughts that good intentions alone are not sufficient in the field of human rights, and an acknowledgement that Canada "must seriously consider the value of assistance to regimes that do not respect the rights of their own citizens," the minister suggested where he would draw the line. In matters of trade, there would be no line drawn at all. Canada would not cut itself off from countries "even if we do not like their human rights records."

The honourable minister explained that Canada was pursuing trade in a number of countries "irrespective of their human rights records." His rationale was that trade isolation does not help the people of repressive regimes; that foreign trade is the best way of spreading democracy.

Earlier this month, the Minister for International Trade announced that Canada and its NAFTA partners officially launched negotiations aimed at bringing Chile into the North American Free Trade Agreement. Canada already imports some $100 million worth of Chilean fruit and nuts, and another $34 million in wine and food-waste products annually.

I wish to highlight this fact because the fruit is picked by hundreds of thousands of temporary workers, mostly women, some as young as 12 years of age. They work 16 hours a day for as little as $2.50. The orchards and vineyards are sprayed with chemicals which the World Health Organization has linked to birth defects, infertility and cancer. The government of Chile takes 20 per cent of the very meagre wages of these young women for health care, but cares little for their health. It refused to publish a study which showed alarming rates of miscarriage and gross deformities in babies born to these workers. Given the new policy of the Government of Canada, these are not likely matters for discussion in the NAFTA negotiations.

• (1410)

We do not hear the government speaking out against the bonded labour of 80 million children throughout Asia, or the recent murder of the 12-year-old Pakistani boy who tried to bring it to international attention. Instead, this government speaks of enhanced trade, reduced barriers, greater efficiencies and competitiveness.

Some observers are already predicting that by tearing down trade walls and turning a blind eye to our trade partners' abuse of young women and children, we will invite the return to North America of working conditions that prevailed here a century ago. At that time, child labour was not only tolerated, it was lauded by the elite and by the clergy.

Honourable senators, in the long run, if the government stays its new course, it will be Canadians who will suffer. If we set profit high above human rights for people of other nations, we lose much of our power to defend these rights at home.

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# ROUTINE PROCEEDINGS

## ALTERNATIVE FUELS FOR INTERNAL COMBUSTION ENGINES BILL

MESSAGE FROM COMMONS

**The Hon. the Speaker:** Honourable senators, a message has been received from the House of Commons to return Bill S-7, an Act to accelerate the use of alternative fuels for motor vehicles, and to acquaint the Senate that they have passed this bill with certain amendments.

## CODE OF CONDUCT

PROPOSED SPECIAL JOINT COMMITTEE—
MESSAGE FROM COMMONS

**The Hon. the Speaker:** Honourable senators, a message has been received from the House of Commons requesting that the Senate do unite with the House of Commons in a special joint committee on a code of conduct to guide senators and members of the House of Commons.

## FOREIGN AFFAIRS

SIXTH REPORT OF COMMITTEE PRESENTED
AND PRINTED AS APPENDIX

**Hon. John B. Stewart:** Honourable senators, I have the honour to present the sixth report of the Standing Senate Committee on Foreign Affairs. This report requests that the committee be empowered to incur special expenses pursuant to the Procedural Guidelines for the Financial Operation of the Senate.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Stewart, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## VETERANS REVIEW AND APPEAL BOARD BILL

REPORT OF COMMITTEE PRESENTED
AND PRINTED AS APPENDIX

**Hon. Lorne M. Bonnell:** Honourable senators, I have the honour to present the ninth report of the Standing Senate Committee on Social Affairs, Science and Technology which deals with Bill C-67, to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other Acts and to repeal the Veterans Appeal Board Act.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Cools, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## THE YOUNG OFFENDERS ACT
## THE CRIMINAL CODE

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Gérald-A. Beaudoin**, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Tuesday, June 20, 1995

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

ELEVENTH REPORT

Your Committee, to which was referred Bill C-37, An Act to amend the Young Offenders Act and the Criminal Code, has, in obedience to the Order of Reference of Tuesday, March 21, 1995, examined the said Bill and now reports the same without amendment but with the following observations.

OBSERVATIONS

1. In addition to making observations on specific provisions of Bill C-37, your Committee wishes to draw attention to a number of issues affecting the operation of the *Young Offenders Act*, in light of the fact that existing difficulties relate not only to the implementation of the Act, but also to systemic changes in contemporary society.

BILL C-37 AMENDMENTS

2. Some members of your Committee are not convinced that so-called "presumptive" transfer to ordinary court of 16 and 17 year old youths charged with certain serious offences is either necessary or advisable at this time. Because of the concern that Canadian laws be consistent with both the letter and the spirit of the United Nations *Convention on the Rights of the Child*, some members are uneasy about this encroachment on the special jurisdiction created by the *Young Offenders Act*. As the Minister and his officials have pointed out, transfer is available now for young persons in that age group who commit the prescribed offences. However, some members are particularly concerned that those young persons will have the onus of proof in future transfer hearings. They fear that presumptive transfers could simply exacerbate the problem of systemic delay, while offering no assurance of any greater protection for society. Consequently, your Committee urges the Minister of Justice, immediately upon implementation, to act on his assurances that the new transfer provisions will be monitored in order to evaluate their impact on offenders, on the system and its resources, and on the timeliness of proceedings.

3. Some Committee members also have concerns about the weakening of restrictions on the sharing of information about young persons involved in the youth justice system. While not opposed, in principle, to those reforms, the members question the adequacy of the legislated limitations on the use and further dissemination of that information, either by the courts or by schools and other authorities. For that reason, your Committee urges the government to undertake a careful evaluation of the operation and consequences of information sharing in order to determine whether the privacy and legal rights of young persons are adequately protected.

BROADER ISSUES OF IMPLEMENTATION

4. Several witnesses maintained that legitimate public concerns about youth violence must be met with accurate information about actual crime rates and about the operation of the youth justice system. Your Committee believes that common misperceptions concerning the incidence of violent youth crime, in particular, as well as the range of legal consequences, serve neither young persons nor the public at large. Those misperceptions may foster unfounded fears and demands for increasingly punitive measures that may do little to address the actual causes of violent youth crime. Consequently, your Committee urges the federal government to develop a comprehensive and effective strategy aimed at informing and educating Canadians about all aspects of youth crime, including the circumstances of the young persons involved and the kinds of penalties imposed by Youth Courts.

5. Many witnesses agreed that amendments to the *Young Offenders Act*, alone, can never fully address the problem of youth crime. The National Crime Prevention Council advocates a social development approach to the problem of youth crime that would provide timely intervention for youth at risk, in addition to effective rehabilitation and treatment for those who have already come into contact with the criminal justice system. Your Committee acknowledges that crime prevention is a very important and necessary component of any comprehensive youth justice scheme and commends the research and consultation process undertaken by the National Crime Prevention Council, on issues of diversion and alternate measures. With this in mind, your Committee urges the federal government to strengthen its commitment to the prevention of youth crime by ensuring that future cost-sharing arrangements with the provinces and territories provide sufficient resources for the kind of community-based services that may, in the long run, offer the best hope of achieving public safety.

6. Because of the constitutional division of powers, the *Young Offenders Act* simply provides a framework for youth justice that must be implemented in and by provincial and territorial jurisdictions. As a result, existing and potential regional disparities can further complicate the process of reform. Your Committee believes that the federal government could, in the spirit of cooperation and in the context of cost-sharing negotiations, take a greater leadership role in youth justice. For example, the provinces and territories should be encouraged to provide alternatives to incarceration for young offenders and to take a broad societal approach to youth crime that includes appropriate and timely child welfare intervention. As noted in the "Jasmin Report" from Quebec, the flexible allocation of resources is necessary to the effective administration of the Act. Without adequate alternatives to incarceration, Bill C-37 proposals, such as those aimed at replacing custodial sentences with community-based dispositions for non-violent crime, are unlikely to achieve their desired effect in all jurisdictions.

7. Finally, Bill C-37 proposes fundamental changes to the *Young Offenders Act*, in advance of a second or later phase of study that would assess the adequacy of the legislative scheme. Like many witnesses who appeared on Bill C-37, some Committee members question the wisdom of this reaction to public concerns prior to a broad-based review that may or may not justify some of the measures proposed in Bill C-37. In effect, the Senate is being asked to support reform that may further erode the spirit and purpose of the *Young Offenders Act*, in the absence of a full and meaningful evaluation of the existing system. Consequently, your Committee seeks a moratorium on further amendments to the *Young Offenders Act*, pending the Minister of Justice's promised second phase review so that Parliament is not, once again, faced with a piece-meal approach to legislative reform with little or no knowledge of the need for or possible impact of proposed changes. Furthermore, some members of the Standing Senate Committee on Legal and Constitutional Affairs wish to offer their services and indicate their desire to participate in a broad-based youth justice system examination and review process through a Parliamentary task force or other appropriate venue.

Respectfully submitted,

GÉRALD-A. BEAUDOIN
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Stanbury, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## VISITORS IN GALLERY

**The Hon. the Speaker:** Honourable senators, before we proceed to other items on the Order Paper, I wish to draw your attention to some distinguished visitors in our gallery. I refer to the Honourable Stephen Kakfwi, Northwest Territories Minister of Justice, and Mr. Dennis Patterson, a member of the Northwest Territories Legislative Assembly.

**Hon. Senators:** Hear, hear!

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, the June 21, 1995, at 1:30 o'clock in the afternoon.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## CODE OF CONDUCT

APPOINTMENT OF SPECIAL JOINT COMMITTEE—
NOTICE OF MOTION

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I give notice that tomorrow, Wednesday, June 21, 1995, I will move:

That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of the Senate and the House of Commons to develop a Code of Conduct to guide Senators and Members of the House of Commons in reconciling their official responsibilities with their personal interests, including their dealings with lobbyists;

That seven Members of the Senate and fourteen Members of the House of Commons be Members of the Committee;

That the Committee be directed to consult broadly and review the approaches taken with respect to these issues in Canada and in other jurisdictions with comparable systems of government;

That the Committee have the power to sit during sittings and adjournments of the Senate;

That the Committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff;

That the quorum of the Committee be eleven Members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented, and that the Joint Chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six Members are present, so long as both Houses are represented;

That the Committee be empowered to appoint, from among its Members, such subcommittees as may be deemed advisable, and to delegate to such subcommittees all or any of its power, except the power to report to the Senate and House of Commons;

That the Committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That the Committee present its final report no later than October 31, 1995;

That, notwithstanding usual practices of this House, if the Senate is not sitting when the final report of the Committee is completed, the report may be deposited with the Clerk of the Senate and it shall thereupon be deemed to have been presented to the Senate; and

That a Message be sent to the House of Commons to acquaint that House accordingly.

• (1420)

## CHEMICAL WEAPONS CONVENTION IMPLEMENTATION BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-87, to implement the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

## INCOME TAX ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-70, to amend the Income Tax Act, the Income Tax Application Rules and related acts.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

## CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

THIRTY-SIXTH ANNUAL MEETING HELD IN HUNTSVILLE, ONTARIO— REPORT OF CANADIAN DELEGATION TABLED

**Hon. H.A. Olson:** Honourable senators, I wish to table the report of the Canadian delegation to the thirty-sixth annual meeting of the Canada-U.S. Inter-Parliamentary Group, held in Huntsville, Ontario from May 18 to 22, 1995.

[*Translation*]

## INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

MEETING HELD IN BEIRUT, LEBANON— REPORT OF CANADIAN SECTION TABLED

**Hon. Jean-Robert Gauthier:** Honourable senators, pursuant to rule 23(*6*) I have the honour to table in both official languages the report of the Canadian section of the International Assembly of French-Speaking Parliamentarians and the financial report on the meeting of the Policy and Administration Committee of the IAFSP in Beirut, Lebanon, on March 20 and 21, 1995.

[*English*]

## ALTERNATIVE FUELS FOR INTERNAL COMBUSTION ENGINES BILL

MESSAGE FROM COMMONS—NOTICE OF MOTION FOR CONCURRENCE IN COMMONS AMENDMENTS

**Hon. Colin Kenny:** Honourable senators, I give notice that later this day, I will move:

> That the Senate concur in the amendments made by the House of Commons to Bill S-7, to accelerate the use of alternative fuels for motor vehicles.

## CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

THIRTY-SIXTH ANNUAL MEETING HELD IN HUNTSVILLE, ONTARIO—NOTICE OF INQUIRY

**Hon. H.A. Olson:** Honourable senators, I wish to give notice that on Wednesday next, June 21, I will call the attention of the Senate to the thirty-sixth annual meeting of the Canada-United States Inter-Parliamentary Group, held in Huntsville, Ontario from May 18 to 22, 1995.

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# QUESTION PERIOD

## UNITED NATIONS

PEACEKEEPING IN BOSNIA—PARTICIPATION IN RAPID REACTION FORCE—GOVERNMENT POSITION

**Hon. Gerald R. Ottenheimer:** Honourable senators, my question is for the Leader of the Government in the Senate. As honourable senators are no doubt aware, recently a report commissioned by and submitted to the United Nations Secretary General with respect to reform of the United Nations was made public. Among the recommendations is one calling for the establishment of a United Nations rapid reaction force under the aegis of the Security Council.

Canada has historically supported the creation of such a force. Is this still the position of the Government of Canada? If so, would the minister be in a position to indicate the parameters of Canada's participation in such a reaction force?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, Canada supports the establishment of this type of force as a way to help United Nations peacekeeping efforts, particularly in the current situation in Bosnia, to both defend and carry out missions more effectively.

Canada has not made a decision about participation in the operation that has been suggested in recent days. There were detailed discussions with respect to this matter at the G-7 Summit in Halifax. Many details concerning the mission of that type of force have not been finalized, and the government has not taken its decision.

POSSIBLE CHANGES TO APPLICATION OF VETO— GOVERNMENT POLICY

**Hon. Gerald R. Ottenheimer:** Honourable senators, my supplementary question relates to another recommendation of the report commissioned by the Secretary General of the United Nations. That recommendation is that the veto in the Security Council be limited to matters of peacekeeping and enforcement. There are others, as honourable senators are aware, who have recommended the abolition of the veto.

• (1430)

Would the minister inform us as to the government's policy with respect to either the continuation or abolition of the veto? If it is to be continued, what is the view of the government with respect to any modifications or changes in the veto?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I am unable to give Senator Ottenheimer a response to his question. I will undertake to seek from the Minister of Foreign Affairs information on that issue and on other items that were outlined in the report of the Secretary General.

## NATURAL RESOURCES

NEW FEDERAL-PROVINCIAL SILVICULTURE AGREEMENT— GOVERNMENT POSITION

**Hon. Brenda M. Robertson:** Honourable senators, the recently announced Silviculture Improvement Program funded by the New Brunswick provincial government and by private woodlot owners — according to the Minister of Natural Resources of New Brunswick and the President of the New Brunswick Federation of Woodlot Owners — is predicated on the hope that there will be federal government participation and that it will form the basis of a new federal-provincial forestry development agreement to replace the agreement which expired April 31, 1995.

Could the Leader of the Government in the Senate inquire and report back to the Senate on whether the Minister of Natural Resources and the minister responsible for ACOA support a new federal-provincial silviculture agreement, which could be a vital force in sustaining New Brunswick's forestry industry and protecting and enhancing our rural economy?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to ask my two colleagues to respond to the question of the honourable senator.

## HEALTH

REORGANIZATION OF BLOOD SUPPLY SYSTEM—
GOVERNMENT POSITION

**Hon. Richard J. Doyle:** Honourable senators, the Leader of the Government in the Senate will be aware of the anxiety building around the capacity of the Canadian Red Cross Society to provide hospitals and clinics with an adequate supply of blood during the current period. The changing reputation of that society is seriously hampering contributions donors are willing to make to the organization. Donations have fallen by more than 12 per cent in the past year during the Krever commission's investigation into the 1980's contamination of the national supply.

What step or steps is the federal government taking to totally reorganize the blood supply system in a way that will restore the badly battered public confidence?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will ask my colleague Ms Marleau for a detailed response to this question. There have been responses to some of the recommendations of the interim report of the Krever inquiry. In overall terms, the government would reassure Canadians of the safety of their blood supply.

**Senator Doyle:** Honourable senators, are there any plans that might be made for an overall system that are of particular interest at the moment?

Could we look forward to a program that could be activated when the Krever commission's final report is received, studied and, to whatever degree, implemented? Are there any plans in the works that would relieve the shortages in Montreal, Vancouver and Toronto where delays in elective surgery are now commonplace?

**Senator Fairbairn:** Honourable senators, the urgency to the questions by Senator Doyle is obvious. I will attempt to obtain a quick response for him.

**Senator Doyle:** Is this one of the problems receiving the attention of the Prime Minister's $12 million Health Forum?

**Senator Fairbairn:** Honourable senators, I will attempt to get a response for my friend that would be more immediate than the overall study being conducted with the Health Forum, which is of a longer–term nature.

[*Translation*]

## COMMUNICATIONS

SATELLITE BROADCASTING—CONSULTATION WITH CRTC
AND WITH BOTH HOUSES OF PARLIAMENT—
GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, I would like to obtain information regarding the opinion that the government requested from the CRTC yesterday on television broadcasting by satellite, which your government specified it wished to receive before Parliament finished reviewing this decision. As the honourable senator is the government's representative, I would like to hear her explain why this request for opinion from the CRTC is justified?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the committees of both the Senate and House of Commons are undertaking vigorous hearings on this issue. The general consultations between the government and the CRTC continue. Obviously, the responses of the two committees studying this matter will be of great interest to the government. At the moment there are no definitive conversations taking place outside those hearings. There is a continuing exchange of information.

[*Translation*]

**Senator Nolin:** Honourable senators, if you please, I will read you an excerpt from section 3 of the Broadcasting Act. That section says, among other things, that the Canadian broadcasting system is a single system and that the objectives of the broadcasting policy for Canada, which, by the way, are listed in the same section, can best be achieved by providing for the regulation and supervision of the Canadian broadcasting system by a single independent public authority, namely the CRTC.

How can the honourable senator justify consulting the CRTC while your government is preparing to table an order to override one of its decisions, a move unprecedented in the history of the Broadcasting Act?

How can the leader justify this when the act stipulates that the CRTC is an independent authority, which must regulate broadcasting in Canada?

How can the Leader of the Government explain that her government is communicating with the CRTC in an almost cavalier way when one of its decisions is currently under review by committees of both Houses of Parliament and the matter is urgent?

[*English*]

**Senator Fairbairn:** Honourable senators, the government is following an open and transparent process provided for under the Broadcasting Act, and the policy directions of the government will not be finalized until that process has been completed.

## HEALTH

### CLOSER CONTROL ON TOBACCO PRODUCTS—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, new evidence has emerged in the United States that from 1966 to 1981 the world's largest tobacco company studied nicotine and tobacco and its pharmacological effects on the brain and behaviour of smokers. It was studied in the same manner as a drug.

The Phillip Morris Company manipulated nicotine levels in test cigarettes and, according to one of its former scientists, looked for a way to reduce the tar but increase the nicotine content of cigarettes, realizing the effect of the drug on the brain.

Perhaps not coincidentally, in Canada, as that research was winding down, the tobacco industry funded Agriculture Canada to develop new breeds of tobacco with much higher levels of nicotine, and it succeeded in 1981.

Last week the Minister of Health spoke to a group of physicians who she said must deal with "the effects of tobacco addiction." She promised that the results of her department's studies on changes in nicotine content of Canadian cigarettes over the years will be available shortly.

• (1440)

Will the government finally acknowledge the drug property of tobacco and control its use? Will it include tobacco products under the Hazardous Products Act, which would allow regulation of nicotine levels? Alternatively, will the government introduce much needed new legislation that would fill this and other crucial gaps in the current Tobacco Products Control Act?

**Hon. Joyce Fairbairn (Leader of the Government):** I know that this subject-matter has been a primary, ongoing item of concern for Senator Spivak. It is also a primary matter of concern for the Minister of National Health and Welfare.

I will take my honourable colleague's detailed question to the minister and try to obtain a response for her.

## HUMAN RIGHTS

### PROMISED AMENDMENTS TO ACT—GOVERNMENT POSITION

**Hon. Noël A. Kinsella:** Honourable senators, will the Leader of the Government in the Senate inform us as to when the government's promise to bring in legislation to amend the Canadian Human Rights Act to increase the grounds of prescribed discrimination in that act will be fulfilled?

**Senator Lynch-Staunton:** That was in the Red Book.

**Senator Kinsella:** It was in the Red Book and in the Speech from the Throne. This legislation has been promised for some time. We read reports in the media today that there is a certain degree of divisiveness in the government caucus around this matter. However, that promise was made, and it is part of the government's program. When might we see legislative action in this regard?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, yes, there is a commitment in the Red Book that my colleague Senator Lynch-Staunton is so fond of, and it was mentioned in the Throne Speech. It is a commitment that will be fulfilled by the government. I cannot give Senator Kinsella a precise time frame, but action on this matter remains a strong commitment of the Minister of Justice and the Prime Minister.

**Senator Lynch-Staunton:** It is either before or after the GST.

### ESTABLISHMENT OF CANADIAN RACE RELATIONS FOUNDATION—GOVERNMENT POSITION

**Hon. Noël A. Kinsella:** I have one supplementary question by way of a domestic human rights issue which relates to the promised establishment of the Canadian Race Relations Foundation.

**Senator Berntson:** Is that in the Red Book, too?

**Senator Kinsella:** Is there any indication as to when an announcement of its formal status will be made?

**Hon. Joyce Fairbairn (Leader of the Government):** I will try to obtain that information for my honourable friend.

The Leader of the Opposition is quite correct; there may well be a connection between human rights and the GST.

**Senator Lynch-Staunton:** They are both not to be believed.

## CANADA ASSISTANCE PLAN

REMOVAL OF PROGRAMS FROM BLOCK FUNDING TO PROVINCES—GOVERNMENT POSITION

**Hon. Brenda M. Robertson:** Honourable senators, my question is directed to the Leader of the Government in the Senate. We are all familiar with the government's announcement concerning the block funding to the provinces for higher education and programs covered under the Canada Assistance Plan. I might add that there has been a great deal of controversy over this matter.

I now note from serious sources that the government is contemplating removing the Canada Assistance Plan programs from the block funding. Can the leader verify whether the government is indeed planning this action, or will these programs remain within the block funding transfer?

**Hon. Joyce Fairbairn (Leader of the Government):** The Canada Health and Social Transfer has been outlined by the Minister of Human Resources Development as including medicare, the Canada Assistance Plan, and post-secondary education. That is the intention of the government. As the minister has indicated, the details of that plan will be the subject of federal-provincial negotiations.

## DELAYED ANSWER TO ORAL QUESTION

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on March 23, 1995, by the Honourable Senator Noël A. Kinsella regarding reports on records of various countries compiled by the Foreign Affairs department.

## HUMAN RIGHTS

REPORTS ON RECORD OF VARIOUS COUNTRIES COMPILED BY FOREIGN AFFAIRS DEPARTMENT—GOVERNMENT POLICY

*(Response to question raised by Hon. Noël A. Kinsella on March 23, 1995)*

On assuming office, the Government gave immediate priority to its commitment to conduct a review of all aspects of Canadian foreign policy, taking into account views of all interested Canadians. The role of human rights in foreign policy was among the central issues addressed in the recently concluded review: it was considered carefully by the Special Joint Committee of the Senate and the House of Commons; and the Government's response strongly supported the various Committee views and proposals on this question.

The Government affirmed that human rights, good governance and democratic development will find central expression in Canadian foreign policy and that efforts in this regard will rely on a variety of means. These include: bilateral dialogue and engagement aimed at influencing other governments; aid and trade measures to address extreme situations; assistance to enhance thecapacity of developing countries to protect human rights; leadership on human rights issues in multilateral institutions including the UN, the OSCE, the Commonwealth, la Francophonie, the OAS, the World Bank, IFIs and various aid donor groups.

In all of these efforts, Canada will continue to work with a broad range of partners, including governments, Parliamentarians, NGOs and multilateral organizations. The new Global Issues Bureau in DFAIT has been tasked with bringing greater coherence to Government action on a range of important issues including human rights; and it will work closely to this end with other agencies of Government. The International Centre for Human Rights and Democratic Development will continue to play an important role in the advancement of Canadian objectives.

Regular and systematic reporting on human rights and democratic development is an integral part of the work of Canadian diplomatic missions in support of these and other objectives set in the foreign policy review. Based on such reporting, the Department of Foreign Affairs prepares briefing notes for annual consultations with Canadian human rights NGOs on situations of particular concern to them. During the policy review, the view was widely expressed that such government-prepared material should be regarded at most as a supplement for relevant information and analysis from other independent sources; it could not and should not seek to compete with or substitute for material produced by NGOs and other organizations.

With this in mind, the Department of Foreign Affairs and interested Canadian NGOs have together been encouraging the United Nations to strengthen the presentation of reporting by its human rights monitors: assessments by such authoritative international bodies should be at the heart of Canadian deliberations on international human rights questions. Considering the wealth of valuable information and analyses available from such sources, and the finite resources government is able to dedicate to its priorities, the Government has concluded that this represents the most effective and efficient approach to the human rights information needs of Canadian foreign policy.

# ORDERS OF THE DAY

## BUDGET IMPLEMENTATION BILL, 1995

THIRD READING—DEBATE ADJOURNED

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved third reading of Bill C-76, to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

**Hon. H.A. Olson:** Honourable senators, I wish to make a few comments about some of the provisions in Bill C-76 that came to light when we were discussing the matter in the Standing Senate Committee on National Finance.

To be more specific, and to enable honourable senators to identify what I wish to talk about, I am referring to page 4 of the fifteenth report of the Standing Senate Committee on National Finance, the first full paragraph in the observations that were introduced in the Senate.

That paragraph states:

> Your Committee believes that the fundamental principle governing the transition payments, for which a $1.6 billion appropriation is requested in Bill C-76, should be that the money is paid to the same person who is losing the WGTA benefit.

From the replies given in the committee to our questioning of some officials — but not the minister — that is not the intention of the government in making these transitional payments.

The paragraph continues:

> Therefore, the actual producer should have the right to the payment, not the provincial governments or any other creditors such as the banks and the FCC. In addition, your Committee would be loath to see the PFRA become, in effect, heavily involved in the business of collecting debts owed by farm operators to the provincial governments and other creditors.

As stated in this narrative, what is involved here is a very fundamental principle: making a compensatory payment during a transition period to the same people who lose the benefit. In this case, it is the payment of part of the freight that is being lost by withdrawing the funding of $560 million for that purpose.

It is the operator of the farm who will lose the money — the producer who grows the wheat and has the permit book, who delivers the grain to the country elevator and then ships it to the export position.

**Senator Berntson:** You guys stuck it to them.

**Senator Olson:** Just a minute. We are advocating that what is just and right be done. I should hope that Senator Berntson would be fully supportive of the action I am advocating.

He said that we stuck it to them. If I talked about all the things that happened during the 10 years from 1984 to 1994 when he did not look after these things, we could be here for quite sometime. However, I will not do that.

There is an injustice, in my view, that is about to be committed, and we should help avoid that injustice. As I said, if you make a compensatory transition payment, surely it should be made to the people who will lose because of the change that is taking place.

I think Senator Berntson agrees with that principle. However, that is not what they will do.

**Senator Berntson:** Who stuck it to them in the first place?

**Senator Olson:** Why do you keep bringing that up?

**Senator Lynch-Staunton:** Who is making the change now?

**Senator Olson:** There was no such thing when the Tories were in office.

**Senator Berntson:** I agree with you.

**Senator Olson:** This heckling will not do the producers much good. Why not make a comment that will be helpful to the people involved?

• (1450)

I am not advocating that the government change the policy but that the government change the way in which it will set the formula regarding who receives payment. In this case, they will base it on lands — and I asked specifically about this — that are rented from provincial governments. I do not know how much land that involves in Saskatchewan, but it is a lot in Alberta. It amounts to thousands and thousands of acres and involves thousands and thousands of farmers.

I was told that the payments will be made to the landowner — that is, the provincial government, the Farm Credit Corporation or the banks holding title to the land.

It was then explained to us that the farmer, the renter, the leaseholder, or whatever you want to call him, can apply for a reasonable amount of that money under his rights as renter. Honourable senators, in my view, "his rights" should mean that the farmer should get it all, because he stands to lose it all. What is wrong with that? Senator Berntson will understand that.

**Senator Berntson:** I agree with you.

**Senator Olson:** I know you do.

It is only a matter of changing the instructions to the PFRA, the Prairie Farm Rehabilitation Association, which is to administer the program, so that the person who holds the permit book — that is, the farmer or the producer — is the rightful recipient of this transition payment.

The creditors, whoever they are — for example, the banks, the Farm Credit Corporation, provincial government, or to whomever he owes money — can then collect what was previously agreed to in the land transaction.

What will happen if they pay the money to these so-called landowners and the renters have to plead with them to receive payment? It is putting ownership in the wrong entity. Therefore, I advocate that they change this system — that is, if the answers that were given by some of the officials to the committee are true; namely, that they will pay the primary owner or the landowner in these rental arrangements.

My suggestion should not be construed as a serious criticism. Perhaps they do not understand how these arrangements work. If a renter or a producer owes any creditor money, they have methods of collecting it. One of them, of course, is to take the title to the land and rent it back to the person who owned it in the past. There are different arrangements. The Alberta government has four or five different arrangements it can make with people who lease or rent land for producing grain.

That producer — that is, the permit book holder — should be the primary owner of the transition payment. That is the point that I am trying to make. From the answers that I received, I am afraid that that is not the intention of the Department of Agriculture in giving its instructions to the PFRA to distribute this $1.6 billion dollars.

The other thing that concerns me is that the PFRA will become a massive debt collector for all these financial institutions. I do not believe that the PFRA should be responsible for collecting overdue payments or any kind of payments owed by the farmer to the banks, the Farm Credit Corporation, or anyone else. There is already plenty of law in place for them to collect that money themselves.

To give it to the creditor first is like garnisheeing the farmer's wages. He then has to go, cap in hand, to try to get some of it back. They tried to persuade me that if the farmer is not satisfied with the kind of arrangement he is being offered by the creditor, he can complain to the PFRA and have it corrected. In other words, the farmer is being put in a secondary position when he should be in the primary position of receiving the payment. The creditor should come to him and say, "You owe us this much money, now pay it." In other words, "Comply with the arrangements that were made before."

Perhaps it will not turn out that way. I think that it is up to the Senate, in the face of an injustice such as this, to stand up in this place in defence of the person who is actually doing the production and selling the grain. I hope that there will be some attempt to persuade — and perhaps my speech and Senator Berntson's speech will also help — the Minister of Agriculture to change or to give effect to changing the instructions to the PFRA to ensure that the actual producer is the primary owner of this transition payment, not the creditors to the land.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I agree in large part with what my honourable colleague has put on the record today. If he were prepared to put forward an amendment to that effect, then we would happily support and accommodate him in any way we could to aid in its speedy passage, perhaps to the point of sending it back to the House of Commons so that it could be returned here before we break for the summer.

Having said that, honourable senators, I have at least one other colleague who is interested in speaking to this bill on third reading. Therefore Senator Murray will move the adjournment of this debate later.

I agree in large part with my honourable friend's remarks, and I hope that he is prepared to move an amendment to that effect.

**Senator Olson:** Honourable senators, I should like to make a brief comment. What I am advocating is not part of the bill. There is no place for an amendment. It is part of the administrative detail. I should think that the honourable senator would have understood that. I tried to make that clear in my remarks.

**Hon. Lowell Murray:** Honourable senators, two of our colleagues who wish to take part in this debate on third reading are not here at the moment. They will do so tomorrow. It might save us some time if I might make my small contribution to the debate now.

To begin with, I want to thank Senator Olson for elaborating, from his very considerable knowledge and background in these matters, on a section of the National Finance Committee's report dealing with transport matters and grain transport in particular.

As deputy chairman of the committee, Senator Olson contributed to that part of the report and he discussed the matter, as he indicated, during the committee's deliberations when the representatives of the government were present.

Senator Gustafson also alluded to this matter when he spoke to the bill at second reading, and he put some questions to the officials in committee. I presume he is the colleague to whom the Deputy Leader of the Opposition referred, who will want to speak further on this matter tomorrow.

I want to deal with several other aspects of the report that I tabled, which contains a narrative of the deliberations of the Standing Senate Committee on National Finance.

• (1500)

There was very good attendance of honourable senators at that committee, both members and non-members. That fact reflects the wide range of issues raised by this bill and the importance of those issues.

I will comment first on the measures affecting the public service which are contained in Parts I and II of the bill.

This is the latest chapter in a story which began in October of 1991 when Parliament, at the initiative of the Mulroney government, passed Bill C-29 to bring an end to a strike by the Public Service Alliance of Canada. That bill suspended collective bargaining for the entire public service. It extended the collective agreements then in force by two years. Further, it imposed a zero-per-cent wage settlement in the first year of that two-year extension and a 3-per-cent increase in the second year of those extended collective agreements.

As a trade-off or a compensation to the unions for having accepted this quite severe action in October of 1991, the government and Parliament offered changes to what is called the "Workforce Adjustment Directive". As a result of these changes, the government accepted severe restrictions on its right to lay off surplus employees. Whether that commitment on the part of the government of the day was a prudent one to make is irrelevant to the present discussion.

The commitment was made by way of a compensation to the unions because of the severe action the government took to end their strike, suspend collective bargaining and impose a settlement for several years into the future. The unions believed, and had every right to believe, that the government of the day and its successors would abide by that commitment.

In June of 1994, during the present Parliament and at the initiative of the Chrétien government, Bill C-17 was passed extending the suspension of collective bargaining for a further two years. The government made no provision for any wage increases over that period.

Today, in Bill C-76, we are proposing to amend the Workforce Adjustment Directive. The government is doing so unilaterally and over the opposition of the public service unions. We will be removing, in large part, one of the trade-offs given to the unions in 1991 for having imposed a regime on them. We are taking that away from them against their will.

At the committee meetings, representatives of the Professional Institute of the Public Service of Canada and the Public Service Alliance of Canada spoke on these matters. They made many recommendations, some of which would have involved amending Bill C-76. The committee set those aside. Other recommendations would have involved considerable increased cost. The committee set those aside. However, there were several recommendations, and they are on the record, which seemed to us to be reasonable and sensible and which, in any case, deal with the implementation of the policy which is contained in this bill.

There is some confusion as to how this policy is being implemented. It is clear that it is a moveable feast. It is work in progress. The implementation of the policy is still evolving. There is some resistance on the part of the government to suggestions coming forward from the unions which might not cost any money but add up to some administrative inconvenience for the managers. This should not stand in the way of taking a more accommodating position toward the representations of the union.

The committee's concern is with the longer-term harmony of labour relations in the public sector in this country. I trust we will return, sooner or later, to normal collective bargaining. Meanwhile, it is clear from testimony before the committee and from other public comments by management and union alike that the atmosphere is stressful and tense between the government and the public service unions.

The government must take special care to try to accommodate the unions' concerns wherever possible. They should not allow distractions on problems of "turf" between one department and another or problems of mere administrative convenience to prevent such accommodation.

The role of Treasury Board is to act as manager. It will act, as managers always do, primarily with the interests of management in mind. However, there is a wider responsibility on the part of the government not only to maintain decent relations with the unions in the federal public sector, but to try to provide an example to the rest of the country in this respect.

Treasury Board managers should not have the last word on these matters when it comes to government policy. There is a Minister of Labour and a Department of Labour both mandated to promote harmony in federal public sector labour relations, and in labour relations in the federal jurisdiction generally. I must say that in my limited experience, their advice on these matters has always been sound.

The point I am making is that the government, as a whole, should assert its political leadership on a matter of this kind and see to it that Treasury Board does not always have the last word when it comes to public sector labour relations and, in particular, when it comes to the implementation of the policies laid out in Parts I and II of Bill C-76.

Senator Bolduc is vastly experienced in public sector labour relations. He intends to speak tomorrow on this aspect of the legislation.

Senator Olson has already dealt with transportation matters as they affect grain transport in Western Canada. The committee report does not mention the repeal by this legislation of the Maritime Freight Rates Act and of the Atlantic Region Freight Assistance Act. That was dealt with here in questions; during the debate on the Speech from the Throne; and following the budget. I will not repeat what senators from the Atlantic provinces had to say.

Some members of the committee posed questions about the purpose of a $326-million fund. This is a transitional fund to be paid out over four years in the four Atlantic provinces. Perhaps this is not an enormous sum of money in the overall budget but, to most of us, $326 million is still a substantial sum.

• (1510)

The purposes for which this fund is to be paid out are extremely vague. There will be federal-provincial agreements. Perhaps the money will be spent on infrastructure. Perhaps some of the money will be spent on special hardship cases among shippers.

**Senator Thériault:** Highways.

**Senator Murray:** Highways, indeed.

Without putting too fine a point on it, the question which occurs to me is whether this will be another "Dingwall fund". No one knows. The officials, who tried to be forthcoming, finally indicated that $326 million is a way of buying our way out of this subsidy.

At the risk of having my maritime loyalties questioned, I have to express some concern that the government has $326 million rattling around in its jeans to commit to a non-existent program for which no criteria have been established, and to no clear purpose of public policy. I am sure that better use could be found for $326 million than simply buying our way out of the subsidy and creating a fund for some uncertain use over the next few years.

It seems to me that bad old habits die hard, and that the culture of fiscal restraint still has a long way to go before it takes hold in this government.

Finally, honourable senators, a word about the Canada Health and Social Transfer. I would draw your attention to the discussion that took place in the committee, which you can read in the verbatim transcript, when Professor Judith Maxwell was present and, shortly thereafter, Professors Keith Banting and Robin Boadway of Queen's University. Their presentations enabled the committee to focus on the long-term implications for social policy, federal-provincial fiscal relations and national unity given this major change in terms of the federal government's involvement in social programs. In any event, there are many important issues to be pursued. I hope that the Senate, in one committee or another, will find time and a way to pursue them soon.

In that connection, and as a final word, I wish to draw the attention of honourable senators to two important statements which were made to the committee on behalf of the government by the Parliamentary Secretary to the Minister of Finance, Mr. David Walker, MP for Winnipeg North Centre.

First, he stated that the consultation process, which is supposed to lead by mutual consent to a set of shared principles and objectives for certain social programs, would not be used by the federal government to try to impose conditions on the provinces against their will. That matter was stated quite clearly in response to concerns raised during questions that had been asked by a number of senators.

Second, the parliamentary secretary gave a very strong indication that there will continue to be a cash component in the federal transfer to the provinces for these programs. With that cash component, the federal government will always have some influence and at least a leadership place, one hopes, at the table in discussing standards for these programs across the country.

A strong indication was given by the parliamentary secretary, on behalf of the minister, that the government will not let the cash component disappear entirely.

**Hon. Brenda M. Robertson:** Honourable senators, I should like to ask a question of Senator Murray. He indicated in committee that he was advised that the government would not impose programs that were not wanted. Did I understand him correctly in that regard?

**Senator Murray:** With regard to the programs dealt with in Bill C-76: health care, post-secondary education and welfare, health care, as we know, is now covered by the Canada Health Act. I think it is accurate to say that there is no change to that program in Bill C-76.

With regard to the other transfers, however, the Canada Assistance Plan, as we know it, is disappearing. Post-secondary education is also to be included in the new Canada Health and Social Transfer.

The bill provides that the Minister of Human Resources Development will undertake to establish, with the provinces and by mutual consent, a set of shared principles — I am not quoting directly, I am paraphrasing — for social programs other than medicare covered by conditions now set out in the Canada Health Act.

**Senator Robertson:** Honourable senators, I wish I could be more positive. However, that suggests to me that without the imposition there would not be a commonality of standards in many of these programs.

**Senator Murray:** I should point out, in fairness, that the one condition remaining with regard to social assistance, as I understand it, is that a province will not be able to impose a residency requirement. After all, these are programs — as my friend knows, having administered them in New Brunswick — that are exclusively within provincial jurisdiction. Given the financial constraints on it, but also given the realities of a federal system, the federal government is seeking to arrive at a consensus with the provinces as to what basic standards might apply across the country, I suppose starting with portability. The days of imposing, by parliamentary fiat, conditions on the provinces seem to be over.

**Senator Robertson:** I thank the honourable senator for his comments. I will read the transcript of the committee meeting in order that I can better grasp the issues. It will be very difficult to have any national standard as that money is withdrawn.

**Senator Murray:** I do not share my honourable friend's pessimism. That money will not be withdrawn. If we can rely on the commitment made by the parliamentary secretary, there will always be a cash component. The government intends to continue that. Judith Maxwell's testimony was that even if, in global terms, the cash component amounted to only 10 per cent of the $90 billion that is spent by all governments on these programs, that would give the federal government a place and some reasonable clout at the table, which is as much as it could hope to have in arriving at standards that will be applicable across the country in areas of exclusive provincial jurisdiction.

**Senator Robertson:** I disagree.

**Hon. L. Norbert Thériault:** Honourable senators, I may not have understood Senator Murray's point with respect to the $326 million which was put aside for programs in the Atlantic provinces because of the decision not to subsidize transport. Is that what the honourable senator was saying?

**Senator Murray:** Yes.

**Senator Thériault:** On the weekend, the Premier of New Brunswick and some ministers of the federal government signed an agreement for $100 million, $80 million of which would come from that fund, for the building of the Trans-Canada Highway in New Brunswick. Is the honourable senator opposed to that?

**Senator Murray:** I do not know how they arrived at the figure of $80 million from the federal government to begin with, because it is $326 million to be divided among four provinces over four years, based on a proportion which relates to the proportion of the old subsidies that were going into these provinces.

• (1520)

No, I am not opposed to that. I am saying that the government decided to get out of the MFRA and the ARFAA, and then simply picked a number out of the air. That number is $326 million. They said, "Here it is." However, they had no programs in mind; they had no criteria in mind; they had nothing in mind. They simply said that there would be federal-provincial agreements.

I think this is a pretty loose way to deal with $326 million in the present straitened circumstances of the government. If they want to set up another highways agreement, then let them do so. However, they have not done that.

Honourable senators, this is a grab bag. Perhaps the money will be used for a good purpose in New Brunswick. I accept my honourable friend's word that it will. However, perhaps it will not be used for a good purpose elsewhere. Picking a number out of the air with no criteria and no programs seems to me not a very sound way to do business.

**Senator Thériault:** Honourable senators, I am not about to defend the intention of the government because I am not familiar enough with what the subsidies would be over the next 10, 20 or 50 years. I do not think any logical government can expect to deal with what will happen 25 years down the road. One of the mistakes governments have made over the years has been to budget for 5, 10 and 15 years.

For some reason, they must have arrived at the decision that the amount allocated was probably not enough. Based on the financial situation of the country, I suppose that is the best they could do.

However, someone has not asked the proper questions, because although the bill was not even passed, an announcement had already been made in New Brunswick that $80 million from that pot of money would be spent on a fifty-fifty basis over the next few years. The agreement is $170 million or $340 million — fifty-fifty, federal-provincial — but $80 million will come from that amount of money.

**Senator Murray:** What they are doing is creating a pool of cash from which they will draw, and apply it to top up various programs, if the New Brunswick precedent to which my friend refers is any example.

**Senator Thériault:** I do not think you have the right question.

**Senator Murray:** Well, I think I am giving you the right answer.

On motion of Senator Berntson, for Senator Bolduc, debate adjourned.

## FIREARMS BILL

SECOND READING—DEBATE ADJOURNED

**Hon. Sharon Carstairs** moved the second reading of Bill C-68, respecting firearms and other weapons.

She said: Honourable senators, in our careers as politicians, we are often asked to speak on a number of bills. Sometimes we are persuaded to do so by our party colleagues. Then, sometimes there is a bill that has such favour in our eyes that not only do we want to speak to it, and welcome the opportunity to speak to it, but we seek the opportunity to speak to it. That is the case with me in respect to Bill C-68.

Honourable senators, it is with the greatest of pleasures that I speak today in favour of Bill C-68, respecting firearms and other weapons. I believe in safer streets and in safer homes, and I believe that that is something held in common by all law-abiding Canadians. I believe in the goals of crime prevention. I think that, too, is a common belief among all law-abiding Canadians. The government believes that these can be enhanced significantly through tougher gun laws, and I wholeheartedly agree.

Honourable senators, our country enjoys a very enviable reputation throughout the world for its peaceful qualities and civilized nature. It is true that we enjoy this reputation, but we must recognize that we do not come by it through accident or, indeed, by chance.

It is also true that Canadians have chosen not to follow the approach taken by our very good neighbours to the south when it comes to firearms. For example, Americans have in their Constitution the right to bear arms. It is an important and significant part of their history, through their Constitution and otherwise. Unfortunately, honourable senators, I believe that it has also led to the existence of a gun culture in that nation. That is a truly unfortunate circumstance, and it is one that we do not wish to espouse in this country.

Canada's Constitution contains no such provision, and it is reflected in our history. For us, the Wild West is primarily a notion of American films; it is not a reality for Canada. It has never been the reality for Canada. It is not part of our heritage.

In 1995, Canadians do not want a country whose citizens feel that they must own a firearm to protect themselves. This is why, from the very beginning, Canada's approach to firearms has been different, and will hopefully remain different. While it remains different, I think it is something we should celebrate.

Honourable senators, just last week Senator Ghitter and I were on an open-line radio show together. A man called from south of the border. He had grown up near Moose Jaw. He called to say that there were two things he missed about Canada: the first was our health care system, and the second was our tough gun laws. He encouraged us on that program to strengthen both.

Honourable senators, the issues surrounding this bill are bigger than just the defining of ourselves as a society different from our neighbours to the south. This is a people issue.

There are two main parts to this bill: The first is the strengthening of the penalties for using a firearm in the commission of a crime. Unfortunately, we have heard very little about that aspect of this bill. The second is the establishment of a universal firearms registry, a system similar to those in place in Belgium, Germany, Greece, Great Britain, Ireland, the Netherlands, Portugal, Spain and Switzerland. Therefore this new firearms registry will not be unique to Canada. It is an adaptation of a system used by other nations.

Honourable senators, let me speak for a moment about the provisions in the bill for strengthening the penalties for using a firearm in the commission of an offence. I believe that the most important objective for all Canadians is to create a society in which the criminal misuse of firearms is dealt with severely. I think all of us are in agreement with that objective.

Bill C-68, honourable senators, introduces tough new penalties for 10 specific crimes, including robbery, attempted murder, manslaughter and sexual assault. This will now mean mandatory minimum prison terms of four years and a lifetime prohibition against the possession of restricted firearms. Bill C-68 also provides for minimum mandatory prison sentences for the possession of stolen firearms, and for the possession of a hand gun without a licence if it is loaded or if ammunition is near at hand.

This government starts from the principle that only those firearms that we agree, as a country, are appropriate for legitimate purposes should be available for private ownership. On this basis, beginning on January 1, 1996, if this legislation passes, 21 types of paramilitary firearms, comprising more than 200 models, are prohibited. I say, well done.

• (1530)

The second significant aspect of this bill, and certainly the most controversial one, is the aspect of registration. Bill C-68 for the first time provides the government with the legislative

authority to establish a universal firearms registry. The government knew this measure would be a controversial part of this bill. Why would they not? Every time a registry has been suggested, the same arguments have been used against it.

There have been amendments to statutes with regard to guns in 1934, 1977, 1992. Every time the possibility of a registry has been raised, we have heard arguments about rights and freedoms. We have heard about the confiscation of weapons. We have heard about the creation of a police state. Yet, the 1934 legislation did not bring these things to pass, nor did the 1977 legislation or the 1992 legislation. Honourable senators, the 1995 legislation will not create these situations either.

Why do I passionately believe in the registration of all guns in this country? Let me tell honourable senators why. Since 1970, 425 children have died as a result of having been accidentally shot by a firearm. Those are unnecessary, tragic deaths — one child or more a month in Canada.

Each year, approximately 1,100 Canadians commit suicide with a firearm. One-third of them are young people between the ages of 15 and 25. Most of them are young men. They are usually young people who act on impulse. They find a weapon; they find the ammunition; they load it and use it.

For anyone like myself who has taught teenagers, as I did for a period over 20 years, will know that they, all too often, turn to suicide to cope with their problems, problems they think are insurmountable. Often they are not. However, it is not whether they are insurmountable or not, it is what the child believes. They use a variety of methods. They overdose on aspirin or sleeping pills. They slash their wrists. They hang themselves, or they put a gun to their heads.

In my very first year as a teacher, I worked in Massachusetts in a private girls' school. A young girl came to see me on a Saturday afternoon. She told me that she was considering taking her life. She was from the mid-west. Elaine was 13, bright and beautiful. I spent three hours with her that afternoon and I thought that I had persuaded her not to consider such a thought as suicide. However, that night, she took an overdose of sleeping pills. Fortunately, she was found and sent home to her loving parents. She received the counselling she needed and she is now a bright, young adult. If she had had access to a gun, the success that she has achieved would probably not have occurred, because many young people who attempt suicide with a gun are all too often successful. If they are not successful, the damage that is done is so irreparable that they are never quite themselves again. This was a cry for help, and that is what young people do so often. That is why I believe in registration.

On average in this country, one woman is shot to death every six days. This is not the wild west. This is happening in 1995 in Canada on the streets of our cities and villages, in our homes and on our farms. The shooting occurs, almost always, interestingly enough, in the home, and is committed, almost always, by someone she knows. Almost all of the firearms used are legally owned, and almost all of them are rifles and shotguns.

Family violence is a tragic reality in Canadian society. It is more dangerous for a woman to live in rural Canada than it is for her to live in urban Canada. That is why I believe in registration.

On average, some 3,500 guns are stolen from private homes of law–abiding citizens and responsible gun owners each year. Many of these guns have been improperly stored and are far too readily visible and accessible to the burglars, but without a system of tracking these firearms, police are unable to differentiate between guns stolen from private homes and those smuggled across the border. For these reasons, I believe registration is not only necessary, but essential.

I believe this legislation will result in many gun owners who have guns thrown in the back of their closets or in a drawer which they have not used for a long time carefully considering whether they need these guns. If they come to the decision that they do not, they will not register them because they will turn the gun in to appropriate authorities. These are the guns that are often stolen and used in criminal acts. These are the guns which are readily accessible to a suicidal person.

If they decide to keep it and to register it, watch what human nature will do. It is strange, but when we must pay for the privilege of something, it is often valued more. It is my hope that if they are forced to ensure their guns are stored in a safe place because of registration rules, they will be more responsible in their actions. It will not work for everyone. There will always be irresponsible human beings. However, if we can create more responsible human beings, then some of the tragedies that I suggested earlier will be averted.

Each year 13,000 prohibition orders empowering the police to seize guns are issued. Do you know how they have to learn about these guns? They have to ask the person if they own one. If you have been guilty of a criminal act or you have been involved in a domestic violence dispute, will you willingly inform the police that you own a gun? I think not. If we had a registry, then it would be simple for the police to call up those names and make sure that those guns were confiscated, as lawfully ordered. This procedure is critical to police doing their job effectively and to the protection of innocent citizens throughout this country.

Registration of every firearm entering Canada is one part of a series of measures taken by the Minister of Justice and Solicitor General and the Minister of National Revenue. Such registration will help stop the practice of using Canada as a transit point for delivery of weapons to countries that do not allow their direct entry.

• (1540)

Bill C-68 requires that all shipments of firearms arriving in Canada must be accompanied with a permit issued in advance. It will enhance inspections and enforcement at the borders; and it will strengthen the enforcement mechanisms through new criminal offences and stiff penalties. Registration will allow authorities to trace guns that disappear from bulk shipments and follow every firearm back to the point of its sale.

Not too long ago, there was a murder in Toronto in which a woman was killed in a restaurant and the weapon was left behind. Had that weapon been appropriately registered, it could have been tracked down to its owner in a matter of minutes. As it was, it could not be so quickly traced. It took weeks for that tracking to be done. Presently, firearm acquisition certificates are left in the hands of the dealers; therefore, all the dealers have to be tracked. With a computerized system the information necessary to quickly track these weapons will be available to all police officers: rural, urban, and national.

I should like to take a moment to talk about how the registration system will work. Honourable senators should understand that it will be both simple and efficient. The first step will be the registration of the owner. Beginning on January 1, 1996, if this bill passes, new documents called "firearms possession certificates" will be introduced and then phased-in over a period of five years. A nominal fee to a maximum of $10 will include all the costs involved in obtaining this certificate. At the end of a five-year period, the owner will be asked to renew this certificate for a further five-year period. The cost will be $60, which means, in fact, it will cost only $12 a year since the certificate need only be renewed once every five years.

In comparison, in Manitoba it costs me $23 every year for a driver's licence. I might add that it is only $23 because I have the maximum number of merit points. If I did not, it would cost me much more.

Current owners of rifles and shotguns will have to fill out an application. That may be done by mail. The procedure will be simple, honourable senators. The owner can pick up the form at a post office, community office, or government office, and mail it in. The owner will undergo a simple police check to verify there are no outstanding court orders prohibiting him or her from owning a gun. In the first five years, until 2001, a sliding fee scale will apply to encourage gun owners to register early.

When the system is fully in place, all firearm owners will be required, by law, to have a firearms possession certificate which uniquely identifies them as an owner of one or more firearms similar to the driver's licence we now carry.

The second step is the registration of the firearm itself. This is done only once. When a firearm is registered, it remains registered for the lifetime of that firearm unless ownership is transferred to another person. Again, it will cost a nominal fee from zero to $10 and that will cover up to 10 guns. I am not talking about an onerous provision: It will be done only once. By this procedure, we will register the model, make and serial number of every firearm. This registration will be completed by the year 2003.

A uniquely numbered firearms registration card will be issued for each firearm. This card will be valid for the lifetime of the owner or until the firearm is sold, destroyed or modified in any manner. If the gun is transferred, a nominal fee of $10 will apply.

Honourable senators, I should now like to address the concerns of farmers, gun collectors, target shooters and our aboriginal people, all of whom use firearms for their legitimate uses.

I come from Manitoba, a province where hunting and trapping are integral economic activities. The use of a gun is an essential component of those endeavours. I would not give my support to any legislation which would hamper the use of firearms for those legitimate purposes. However, this legislation will not hamper the right of those individuals to use their weapons for legitimate purposes.

The question that will be asked of all of us who participate in this debate is: Do you own a gun? The answer is no, I do not. I have never wanted to; and I doubt if I ever will.

My daughter owns a gun. Why? Because she is a farmer. She raises horses. Unfortunately and tragically, she occasionally has to put down an animal. Sometimes she has to kill a rodent that is among the horses because the only way to prevent the horse from damage is to deal with the rodent. She asked me to tell you today that she has no difficulty in registering her gun. She has it for a lawful purpose and will only use it for a lawful purpose. She, like many other farmers, the ones that we have not heard from, find no difficulty in registering their guns.

The problems of our aboriginal people are special and unique, and they must be dealt with as such. That was the reason I was absolutely delighted with the amendment passed in the House of Commons which clearly stated that in no way does this legislation abrogate their treaties. That was an important statement to make. Our aboriginal people have every right to fear that we will abrogate their treaties; we have done that all too often.

There are other provisions in this legislation which are also sensitive to the needs of aboriginal peoples. For example, those aboriginal and non-aboriginal peoples who are sustenance hunters will pay no fee at all. They will be forced to register and obtain a certificate, but they will not be asked to pay a fee. Aboriginal languages will be used to promote the legislation

within their communities. Training will be developed in the communities so that it is sensitive to the community needs. This training may be the responsibility of the elders of those communities to ensure that there is no thought of threat to aboriginal rights.

I believe that type of sensitivity will not only be welcomed by our aboriginal people but will make this legislation much more acceptable to them. It must be culturally sensitive, and it must be brought to the local level. I believe it will be.

Honourable senators, I am not naïve about what this bill will do. I know that it will not prevent every single child from taking his or her life with the use of a gun. I know that it will not prevent domestic violence which is, unfortunately and tragically, endemic in our society. I know that children will, in all likelihood, continue to die accidentally by weapons that discharge. Yes, those things will continue to happen, but I believe they will happen less frequently as a result of this legislation than they are now happening in our communities.

I believe that this legislation will lead to a decrease in the risk of violence and death. I believe from the depth of my being that this legislation will help to protect vulnerable people because, for me, Bill C-68 represents a significant step toward safer streets and safer homes in the best of our Canadian tradition.

• (1550)

Bill C-68 represents the legitimate uses of firearms because it respects them while ensuring that public interest and public safety come first. In this desire, the Government of Canada does not stand alone: It stands with the rank and file of police officers throughout this country; it stands with the chiefs of police; it stands with the victims of violence; and it stands with the vast majority of Canadians who believe and support this legislation.

Honourable senators, I urge you, too, to support Bill C-68.

**Hon. Ron Ghitter:** Honourable senators, I rise today to direct some comments to Bill C-68, respecting firearms and other weapons. I do so with the frank admission at the outset that I do not profess to be an expert on firearms. As they say, a little superficial knowledge can be a dangerous thing, but at least I warn you at the outset.

I suspect that my colleague Senator Carstairs finds herself in the same position as myself, as she, like me, has never owned a gun, unless water and BB guns are included in that category. I thank Senator Carstairs for her very clear and concise explanation of the bill before us and the very appropriate way in which she addressed her viewpoints with respect to it.

If a pollster called me today — I never seem to hear from them, although I suspect some Canadians do — and asked me if I supported gun control, I would answer, "Absolutely." If someone had asked me a few months ago whether I supported the registration of all firearms in Canada, I would have answered, "Why not? What is all the fuss about? What could possibly be controversial about the simple act of registering a dangerous weapon?"

I was intrigued by the storm of opposition that was building up throughout my province and throughout many regions across this nation, by the rallies of unprecedented numbers that were taking place in cities and towns, such as Wainwright in my province where it all started to happen, and by the many phone calls that were made to my office. I know many senators have certainly received the same response. Those calls were from irate citizens, not only rural Canadians, but professionals, office workers and retirees.

I was intrigued by the countless letters I received from a cross-section of Canadians. I expected letters from lobby groups, but I also received countless letters from individuals who were more concentrated in rural and northern communities, but the letters also form a strong representation from our cities.

To me, it was like the response one would expect on abortion or capital punishment issues, and, frankly, I did not know why. I was fascinated by the phenomenon and decided that, if this was such a big issue in my province, I was obliged in my duties to this chamber to inform myself. I thought I could then explain the situation to Albertans by saying, "This is no big deal. Relax, and let's deal with more substantive matters."

Frankly, some of the arguments I was hearing, particularly from the more vociferous lobby groups opposed to the bill, were difficult for me to accept and were more within the concept of the American tradition than the Canadian. We do not have a tradition in Canada that allows for the right to bear arms. I am thankful for the wisdom displayed by our forefathers in that regard.

I have also sensed a tendency to paranoia in some of the arguments presented by the gun lobby. They propose that it is the ultimate intention of the government to seize all guns and leave Canadians helpless and defenceless to the whims of government. I have not met the Honourable Mr. Rock, but I respect him as a wise and fair parliamentarian, and I doubt very much that the Machiavellian tendencies attributed to him are appropriate and that he has ever harboured a hidden wish to own all the guns in Canada.

Canada is not, as a result of this legislation, as some allege, becoming a Nazi state. I would recognize such tendencies if they were evident. Although I have deep concerns over our wavering commitment to human rights in this country, both internally and externally, in the province of Alberta and in the federal government, I do not hold up Bill C-68 as evidence of such tendencies.

As I embarked upon my journey into the world of crime control and guns and their registration, I did so somewhat skeptically and with some of the arguments opposed to registration being totally unpersuasive to me and, in my view, of little substance. What is of concern to me, as I am sure it is to all honourable senators, is the issue of public safety. What is of concern to me is the creation of sound public policy which is supportable from a cost-benefit point of view. What is also of concern to me is that laws be constitutional, respected by Canadians, and that they be practical and administered on an even-handed basis throughout the land.

I also must state at the outset that, as I started my investigation, I had a particular perspective that evolved when I was chairman of a task force set up by the mayor of Calgary to examine family and community violence which resulted in a personal experience of some 18 months of sadness and an enhanced awareness as to what is happening in our urban communities; why streets are perceived by women, correctly, I might add, to be unsafe; and what steps must be taken to make our communities safer.

I hasten to add that, in hundreds of meetings, public and private, and within our deliberations and our final report, there was not, to my recollection, any reference to gun registration as a beneficial approach to reducing crime, an observation I make because I have mused that circumstance on a number of occasions. In all of the meetings when the ladies' groups appeared before us, in all of the private meetings we had, and during all of the recommendations we discussed, not once did any group suggest that gun registration would in any way solve any of their problems.

Let me share with you my travels as a middle-of-the-road Progressive Conservative. The word "progressive" was important for me to keep in mind as I tried to inform myself over the past weeks and months on the intricacies and complexities of Bill C-68.

My first stop was to visit some members of the Calgary police force so that the existing gun laws in Canada could be explained to me. I discovered, to my surprise and comfort, that Canada is regarded as having some of the most stringent gun control legislation in the world today.

We have restricted and monitored the use of firearms in Canada since 1877. We have had a nation-wide permit system for the carrying of small arms in effect since 1892. Registration of hand guns has been the law since 1934. A large number of guns are prohibited in Canada or require special licensing. In 1977, further important controls were put in place with the creation of the requirement for the firearms acquisition certificate, the FAC.

What I did not know at the time, but do now, and what in my opinion the vast majority of Canadians do not know, is that it would take four to six months for me to legally buy a long gun today. I would be required to take a course which would cost up to $200 and write an examination. I would be required to fill out a long, blue form which contains personal questions relative to my criminal record, my love life, my wife, and my violent tendencies, if I have any. This and other information is collected and would then be verified by the police. Once that procedure had been completed, I could then go to the local gunshop and buy a gun legally.

I also learned, however, that if I wanted to buy a gun illegally, even a stolen registered handgun or a prohibited firearm, I could do so immediately. The police told me where I could acquire a gun in this way. They knew where they were. I could buy an illegal and registered firearm at a reasonable cost.

I also discovered the following facts which I found to be enlightening, and I will now share them with honourable senators. All gun owners are required by law to keep their guns in safe storage. That, the police tell me, is one of their biggest problems. That, the police tell me, is more significant than anything else. If they could only encourage Canadians to follow the law and keep their guns in safe storage, many of the horrific accidents that Senator Carstairs aptly described would certainly not occur. I have also been advised that an estimated 375,000 guns are smuggled into Canada each year, predominantly from the United States of America, during some 130 million border crossings between our two nations.

• (1600)

My police friends also told me that gun registration, in their opinion, would not have an impact on the reduction of crime, a statement that I have heard time and time again. The real problem they face is a lack of ability to enforce existing laws due to inadequate funding.

I was also told by judges whom I know and respect and who deal with crime on a daily basis that in their opinion the cost of registering guns is unwarranted and that the money would be better spent in assisting 10- and 12-year olds whose needs are crying out for help but who have no resources behind them and will likely turn to crime and violence.

My next stop in my journey was the statistical records to try to understand just how serious illegal gun use has become in Canada. Considering the publicity violence has been receiving and the tragedies we have experienced in Canada involving guns, the low point has to be the killings in Montreal at École Polytechnique and Concordia, and, I might add, one of the handguns used was not registered.

I discovered the following: Crime is not on the increase in Canada. In fact, in a number of categories it is decreasing. In some regions, it has decreased dramatically. In Edmonton, new and innovative programs related to community policing have reduced crime in the past two years by 38 per cent.

These additional statistics were also noteworthy: Only 31 per cent of homicides involved the use of guns. Stabbings and beatings are not far behind. Canada, by international standards, has a very low homicide rate. In 1993, 630 homicides were reported in Canada, 2.2 per thousand, compared to 9 per thousand in the United States; and in the lowest countries, England, Switzerland and Norway, it was one per thousand. The rate of homicides in Canada has in fact declined significantly since the late 1970s. Lastly, I noted that most suicides are committed by methods other than the use of firearms, with less than one-third of 3,700 suicides involving firearms.

That is not to say that we should not be concerned with crime and violence in our community. Of course we should. Women are afraid to go out at night in many areas of our nation. Many crimes of violence are horrific. Violence involving our youth is of great concern, and too many Canadians are falling through the cracks and have no resources to assist them. There are great needs in our communities, which are crying out for help in this period of fiscal restraint. The questions we must examine are: Where can we, with our limited resources, move so that we can best allocate these resources to reduce crime; and, is gun registration an appropriate priority? These are valid and important questions.

My next stop was the pollsters in Calgary whom I know and whose findings supported the comments of the Minister of Justice that Canadians supported gun control. The response I received from the pollsters was "Yes, most Canadians have and do support gun control, but they have very little knowledge of the existing gun laws. They want more severe penalties where crime is committed." When they were asked whether or not they support gun control they said "yes"," just as I would have said "yes" then and as I would say "yes" today if I were asked if I supported gun control. I was also told that more women than men support the legislation, which is understandable because, sadly, women often face the other end of the gun barrel. We can certainly understand the tragedies that women in our society have faced as a result of violence, including that by guns.

My personal observations since getting into this subject are the same. Most Canadians do not know the laws as they exist today. When I tell them, and when they are advised that it would take four to six months in some areas of the country to buy a gun legally, they are very surprised, as I was.

What was particularly odd to me when I examined the issue was that many supporters of the legislation readily admit that gun registration aspects of the bill will not reduce crime. According to polls, approximately 75 per cent of Canadians share this point of view.

When Bill C-68, was finally presented to Canadians, it brought forth an outcry of opposition and quiet majority support. As could be expected, those against are always more vocal and organized than those in favour, and certainly the gun lobby has considerable experience in issues of this nature considering their impact on public policy in the United States.

Frankly, I think that many Canadians are turned off by the gun lobby and their arguments, which have polarized the substantive issues that the bill brings forwards and have turned the debate into a rhetorical, emotional argument rather than a reasoned discussion over the merits and cost benefits of registration.

Unfortunately, the easily supportable aspects of Bill C-68, those involving crime control and other important provisions, are mixed with the controversial gun registration sections. There is no doubt in my mind, as Senator Carstairs has stated, that the crime control aspects of the bill are supported across the land and would easily receive passage in this chamber.

What are the arguments we hear on both sides of the issue? Why are so many citizens upset? Why have three premiers, likely with more to come, and the leaders in the Northwest Territories, who are here today, the Yukon and our aboriginal communities opposed to the registration provisions? Why is it that almost every premier in this land has taken the point of view that they would only find gun registration acceptable if the federal government picked up all the costs, because the provinces have higher priorities? Why has it become an election issue in provincial elections? Why in all likelihood will the new Premier of Ontario also argue against the bill?

Some of the arguments on both sides are simply ill–founded, in my view. I mentioned earlier the paranoia of the gun owners, but I find just as superficial some of the arguments by the proponents of the bill. The Prime Minister has attempted to find some linkage with gun registration and the tragedy in Oklahoma City. Others have raised emotional arguments based on the deaths of Canadians by guns. Senator Carstairs has dealt with some of those tragedies today, but gun registration is no guarantee that those tragedies will not occur in any event.

Others have argued that we register our pets and cars, do we not? I have heard that one from the Prime Minister. Those are provincial powers. The powers and the obligation to register our cars are designed basically to raise revenues, to locate valuable assets for insurance purposes and to identify traffic violations. Everyone buys their licence plates in order to insure their vehicles. They will be easily spotted by the police if they do not have a licence for their car. In the case of gun registration, it will be surprising if even 60 per cent of Canadians actually register — that is, if you follow the precedents in other jurisdictions where gun registration is a requirement. Australia and New Zealand have not achieved 60 per cent compliance from the point of view of registration. It is easy to avoid registering a gun; it is

nigh on to impossible to avoid registering a motor vehicle. The comparison of the two when they say "We register our cars, do we not", is not analogous. We are talking about apples and oranges.

Undoubtedly gun registration will be another useful tool for our police forces in determining the whereabouts of some guns. However, the other argument, my police friends tell me, is unsupportable, the oft expressed viewpoint that the police will be forewarned of a crime and where a gun is located when they go to a crime scene, particularly in matrimonial violence situations. I am told by my police friends that, because of the unreliability of gun registration and because of all the smuggled, illegal guns that will remain in our society, a policeman would be foolhardy to go to a scene of a crime and assume there is no gun there because they have checked the records and cannot find a registration. They suggest to me that anyone going to the scene of a crime will assume there is a gun there, registration or not. Those who argue that it will help the police in that regard are presenting a rather weak and invalid argument.

There are also valid arguments in support of the legislation suggesting that the requirement of registration may result in the shrinkage of the number of guns in Canada and that it will make guns easier to trace thereby helping to enforce the laws respecting the smuggling of guns. All of these arguments should be examined by the Senate committee when they start their deliberations next week to analyze the workability, efficiency and cost benefits of the gun registration elements in Bill C-68.

• (1610)

It is in the area of the cost of gun registration that I would invite the Senate committee to shed some light. How much will it cost, and I mean to all levels of government? Who will pay? There have been conflicting statements from the Prime Minister and the Minister of Justice as to who will pay the costs. The provinces, the Yukon and the Territories, it appears, will be saddled with the costs of administration, which, the Minister of Justice in Alberta tells me, will be at least $500,000 per year for that province alone. He says he will not pay it.

Mr. Rock, as I understand it, has said that the administration costs would be the responsibility of the jurisdictions. How can you have an effective and even-handed law where those who are charged with the administration of the law refuse to do so or are not committed to the law they are obliged to enforce? How much will it really cost? Mr. Rock has suggested $85 million. Credible analysts suggest, in all likelihood, the costing will be closer to $500 million.

Recently, Mr. Rock clarified his assumptions and now maintains that registration will only involve the submission by the gun owner of a simple card and that there will be little examination of the background and the stability of the gun owner, as in the case of an application for a firearms acquisition certificate. All of that will not be required, unfortunately, from the point of view of anyone who wishes to register as a gun owner.

On that basis, and on the basis of the more recent clarifications submitted by the honourable minister, I believe the figures presented by the opponents to the bill are questionable, although, even now, credible analysts still suggest that the costs will run into the hundreds of millions of dollars. We must know what the cost will be. At this point in time, we do not have that information. Would Canadians be as accepting of the legislation if they discovered the cost to be in the hundreds of millions of dollars? I will want to know the costs to be incurred not only by the federal government but also the provinces and the municipalities, for it all comes from the same taxpayers' pockets.

I am told by one Alberta mayor that, in his view, they will have to pay for two more RCMP officers to administer the paper work if registration becomes a reality. Does this mean more police officers punching computers and fewer on the streets performing their main function of reducing and catching criminals? If that is the case, the committee must look at that and we must learn the circumstances.

A thorough analysis of the costs were not conducted in the other place due to the pressures of time imposed upon the process. The large number of last-minute amendments and the minister's most recent explanations relating to the costs of the program were neither raised nor debated there. Indeed, the bill was debated under the threat of closure.

We must not be rushed in the Senate as we examine this bill. Honourable senators, there is no rush. The legislation does not come into full effect for eight years. We owe it to Canadians to clearly bring focus to the costs of this program so that they will be able to make their judgments on facts, not on "maybes" or on best bureaucratic estimates.

I suggest that committee members should also keep in their minds the concept that there may be better ways to spend the money and direct our energies. If crime reduction is the purpose of this bill, then I suggest that there is a better shopping list for how to reduce crime in our society. There are two reports, honourable senators, which have come forward in Canada in recent years. Many of you are familiar with this report called, "Changing the Landscape — Ending Violence, Achieving Equality, and "The Canadian Panel on Violence Against Women". The taxpayers of Canada spent approximately $10 million on this excellent report. Women's groups had tremendous input into its creation. Many recommendations are given for ways and means to reduce violence in our society, ways and means by which women will find our streets safe, ways and means to avoid the battering of women and the abuse of children which, sadly, is occurring in our society.

I was involved peripherally in this committee, just as I was involved in producing the report of the mayor's task force with respect to community and family violence in Calgary, as I mentioned earlier. No recommendations in these two reports related to guns.

If it is our purpose, as it should be, to reduce crime in Canada, I will give Minister Rock a shopping list of how to reduce crime in Canada. Frankly, an expenditure of public funds on gun registration will not be a high priority on the list I would bring forward from the point of view of valid, proven, guaranteed ways to reduce crime and violence in Canada today.

I suggest that in times of tight fiscal restraint, we owe it to Canadians to look at the proper allocation of funding and at where taxpayers can achieve the maximum ability to reduce crime in proven and successful ways.

There are many other issues which will require the examination of the committee. At a lunch recently with the Minster of Justice of the Yukon, I was told that the gun registration provisions are totally unworkable and unrealistic in the Yukon and the Territories. I am sure I will hear at lunch tomorrow from my friends in the Territories the very same thing, as they explain to me the impact it will have in their region by virtue of it not relating to the way of life in Northern Canada.

I have received legal briefs that suggest that the legislation is unconstitutional and illegal from the perspective of our aboriginal communities. This must be examined by the committee.

I am also told that the search-and-seizure provisions are unconstitutional, along with the confiscatory provisions of the bill. There is a great unfairness to law-abiding gun owners whose collections, by one stroke of the legislative pen, will be rendered near valueless and will be subject to confiscation by regulations if one is to read section 117.15(2) correctly. I invite Senator Beaudoin and his committee to look at those sections.

There are also comments on the application of the proposed penalties for non-registration that suggest they are impossible to enforce, the now watered-down provisions of that section. For if gun registration is a valid priority, as some suggest, then it must be enforceable. Recently, the minister weakened those provisions of enforcement, and I am told it will now be immensely difficult to enforce those provisions against those who refuse to register their firearms.

There is much work to be done by the committee. Many individuals, groups and organizations will want to be heard and are entitled to be heard. Many were denied the opportunity to be heard by the House of Commons committee. Unfortunately, the government does not wish to split the bill, which would make deliberations easier to conduct. However, I accept the argument that the provisions of crime control and gun registration are so intertwined in the bill that splitting the bill would, in itself, be very complex and time-consuming.

Many have suggested to me that the real strength of the bill is symbolic, that it sends out a message to Canadians that the government is committed to dealing with crime. Senator Carstairs has alluded to that point.

I do not underestimate for a moment the importance of symbolism. However, symbolism in and of itself is not enough. Vaclev Havel wrote in his book *Living Truth*:

> ...no evil has ever been eliminated by suppressing its symptoms...we need to address its cause...it's no different than an ugly man trying to get rid of his ugliness by smashing the mirror that reminds him of it.

I hope this bill is more than mere symbolism. I hope it is more than just a placebo to make Canadians feel good, more than just a mirror that we wish to smash but which will not remove or even diminish the ugliness of crime in our community. We must attack the root causes of crime.

To our aboriginal communities, that means programs and resources to deal with alcoholism, lack of training and the feeling of desperation. To our youth, that means hope for a future and resources in our schools and communities where there are none. It means jobs and training. To women who are threatened and feel unsafe, it means community-based police and application of the many valid and important recommendations enumerated in the two reports to which I referred.

This bill must be more than feel-good legislation designed to avert attention from the real and substantive causes of crime in Canada today. These solutions may not be found in gun registration or by building bigger and better jails, as some would suggest. They will be found back in our communities where too many people feel abandoned and disillusioned that the great Canadian dreams of opportunity, jobs and optimism are being shattered by a rapidly changing world which they do not understand and in which they cannot participate.

• (1620)

I challenge the Senate committee to study all aspects of this bill, give it a full and complete airing, so that members can come back to this chamber with their well-considered and incisive recommendations.

The Senate, in the finest tradition of this chamber, has an obligation to hear Canadians, to clear the air, to bring thoughtful, unemotional and civil dialogue to this issue, to heal the wounds if possible, and to bring forth rational and non-partisan considerations to an inflammatory situation.

To those who suggest that the Senate should merely rubber stamp this bill, who allege that all the arguments have been made, that we are only playing politics with the legislation, and that an unelected body has no right to delay this legislation, let me say that I, as one senator — and I know I speak for every senator in this chamber — take my oath of office and my responsibilities in this chamber very seriously. I will not be steamrolled or intimidated by arguments which are unrelated to the work at hand or editorial comments in *The Ottawa Citizen* that do not recognize the obligations of this chamber and do not recognize the excellent traditions of this chamber when senators do their excellent work.

My fellow senators, we have work to do. This bill is surrounded by question marks and division. We must, in our deliberation, help erase the question marks, ease the divisions in our country, and bring clarity and understanding to a very complex and divisive situation.

**Some Hon. Senators:** Hear, hear!

**Hon. Paul Lucier:** Honourable senators, I will not support or vote in favour of Bill C-68 as it is presently written.

Taking a position opposed to my party on this legislation is difficult. What makes it even more difficult is the fact that I support a great majority of the proposed legislation in Bill C-68.

When the Senate was dealing with the GST legislation, I felt very strongly that it was, first, bad, unfair legislation for Canadians, and, second, even more unfair to Northern Canadians.

When I speak of Northern Canadians, honourable senators, I speak not only of the people "north of sixty". As I have previously stated in this chamber, Northern B.C., Alberta, Saskatchewan, Manitoba, Ontario and Quebec are just as remote and sparsely settled and with as different a lifestyle as those people living north of sixty.

I can remember being rather harsh towards my colleagues on the other side trying to point out why I felt they should not support the GST because I felt it was unfair legislation. I am sure many of you wish you had now listened to me.

In my opinion, Bill C-68 has placed me in the same position honourable senators opposite were in. It is unfair legislation as far as the people I represent are concerned. They have expressed their views to me in very strong terms. I have heard them, and I will vote against Bill C-68 as they have requested.

Honourable senators, pages and pages of statistics — and they will be quoted here again and again — regarding Bill C-68 can be used to defend any position one wants to put forth. My main objection, and I believe the main objection of most people, is the registration of rifles and shotguns. It appears to me that, if a hoodlum in Toronto shoots someone in a restaurant with a shotgun, suddenly everyone from Iqaluit in the Northwest Territories to Old Crow in the Yukon has to register his or her rifle. They have never committed an offence with a gun; they never will.

If a person commits an offence with a gun, gun owners want that person to be severely dealt with. That has never happened in the past, despite the laws presently on the books which, for 15 years, have made such offences subject to compulsory prison terms — offences that are continually the subject of plea bargaining by prosecutors or ignored by judges.

A person who recently entered a bar in Whitehorse with a sawed-off, loaded shotgun was apprehended by police. He was sentenced to one day in jail. The judge thought he was having a bad day. Why would anyone take gun laws seriously when this is the case? This is not an isolated incident, by the way.

These situations are dealt with ineptly by the courts. Surely, if we are to be serious about gun legislation, the courts must take gun legislation seriously. They have not done so in Canada; they never have. What must be the reaction of a police officer who faces someone with a sawed-off shotgun, survives the ordeal, and sees a one-day sentence being imposed? If we want to support our police forces — and I strongly feel we should — let us seriously enforce the laws we presently have instead of dreaming up new ways of harassing legitimate gun owners who are law-abiding, fair-minded people and who never have used and never will use their guns to commit offences.

I and most Canadians believe our police deserve strong support in their work. Registering shotguns and rifles is not the way to accomplish this goal. Supporting them in the courts will send the proper message to people who commit offences with guns.

As I stated earlier, honourable senators, pages and pages of statistics can be used to defend any position one wants to take regarding gun control and Bill C-68. The cost of registration, which has just been pointed out by Senator Ghitter, is one of the prime examples. One group can show the cost will be $85 million; another group, whose data appears to be just as valid, says the cost will be $500 million. In my opinion, both figures are too high for registration that will not work during these times of serious restraint. Forcing honest, law-abiding citizens to register shotguns and rifles will not keep our police safer or prevent domestic violence. A criminal or a deranged person will not check a registration number on a weapon before committing an offence.

Mr. Bruce K. Dunne, a Calgary businessman and former city police officer, recently wrote an interesting article in the *Calgary Herald* regarding lost or stolen firearms. Statisticians tell us that 3,000 firearms per year are lost or stolen, with 40 per cent or 1,200 firearms reported as lost. Of the remaining 1,800 firearms,

70 per cent, or 1,260 of these, are actually lost but are reported stolen so an insurance claim can be made. We now have approximately 540 firearms per year reported as legitimately stolen for one reason or another.

Interestingly, 80 per cent or 432 of the 540 firearms mentioned above are recovered by the police. Instead of 3,000 guns per year, we are now speaking of 108 legitimate stolen firearms per year. It seems to me like an awful lot of legislation to keep track of 108 firearms.

Mr. Dunne goes on to make many other good points in his article, but I feel the above figures may help to show how misleading statistics can be on both sides of this debate.

Much has been said during the long debate on Bill C-68 about the "gun lobby", the "NRA" and "red-eyed, frothing gun nuts" who walk around with Uzis and AK-47s and bandoliers of ammunition over their battle fatigues which they purchased from the Army and Navy Store. Honourable senators, these people may or may not exist, but it must be repeated that the people who have taken the time to write, call or make their objections known to me personally on Bill C-68 have never belonged to a gun club. They are just folks who have always had a gun, have never hurt anyone and never will.

I cannot imagine anyone in Toronto or Montreal feeling safer because a farmer in Saskatchewan or Alberta, an Inuit in Cape Dorset, or an aboriginal person in Old Crow has now registered his or her shotgun or rifle. Since 1934, we have had registration of handguns, restricted weapons and assault-type weapons. We have firearms acquisition certificates that cost $50; require a $100, three-hour examination; a minimum 28-day waiting period which Senator Ghitter says will probably be closer to four to six months. If you do acquire a gun or rifle to use for hunting, a licence must be purchased. Do we need another layer of expensive, unworkable, aggravating legislation such as registration added to that? I think not. Enough is enough.

In closing, honourable senators, I once again want to say that, while I will vote against Bill C-68, I take no pleasure in doing so. I know many people, including many Yukoners, support Bill C-68. Their case will be put forward by others.

• (1630)

I would take this opportunity to thank my leaders, Senator Fairbairn and Senator Graham, for being very fair and understanding of my position. It would not have worked anyway, but they have never attempted to have me change my mind.

Honourable senators, I thank you for your attention. I look forward to the committee that Senator Ghitter has described which will ask some very serious questions and get some real answers on what this legislation is all about.

**Hon. Gerald R. Ottenheimer:** Will the honourable senator take a question? I have not made any decision on the substantive issue. However, the reasons put forward by Senator Lucier with respect to Northern Canadians would be applicable also in Labrador, and perhaps even the Great Northern Peninsula of Newfoundland. Would that be your assessment? I ask you because you are more familiar with the subject of guns and the effect that these programs would have. Would the arguments the honourable senator has put forward be equally applicable in Labrador and the northern parts of lower Newfoundland?

**Senator Lucier:** Yes. I am probably remiss in not mentioning Labrador and the northern parts of Newfoundland. I used exactly the same arguments on the GST, that people living in those remote areas should not be punished for what takes place in the larger centres. That is what happens with this type of legislation. Your contention that this bill will have the same effect in Labrador and in northern parts of Newfoundland, particularly, are very true. They are very applicable to the same areas.

**Hon. Charlie Watt:** Honourable senators, I speak to you on an issue of vital importance to the Inuit and to the aboriginal peoples of Canada. Parliament must ensure that Bill C-68, in its letter, spirit and the process of enactment, complies with the federal government's fiduciary duty to the aboriginal peoples of Canada. This bill must also respect the government's commitment to recognize and help implement the inherent right of self-government.

The importance of the Crown's fiduciary duty to respect, recognize and affirm aboriginal and treaty rights cannot be overemphasized, particularly in the exercise of legislative jurisdiction that affects our aboriginal rights to hunt, our cultures, and our self-government rights.

It should not be left to litigation, not to mention criminal prosecution, to determine the many unanswered questions relating to the scope, extent and nature of the impact of this bill on aboriginal peoples.

The task of ensuring that aboriginal and treaty rights are not unnecessarily and unfairly infringed upon involves consultation with aboriginal peoples. Unfortunately, it is not clear yet, as just one example, that the constitutionally entrenched requirements for consultation with hunters and trappers committees, wildlife management boards and other entities established by land claims agreements have been fully complied with.

Honourable senators, there is a general public interest in the rational control of the possession and use of firearms, in particular handguns and prohibited weapons, and in penalties for the use of firearms in violent crimes such as sexual assault. Aboriginal peoples have been practically unanimous in endorsing gun control of this type.

However, the federal government is establishing a universal licensing and registration system that, for the first time, would include long firearms used for hunting by aboriginal peoples. If the government's objective in including hunting weapons of aboriginal peoples is purportedly aimed at the prevention of crimes and public safety, then it must be recognized that the causes and patterns of crime have some very important distinguishing features in the North.

In the North, aboriginal peoples come in contact with the criminal justice system very often as a direct result of outside interference in our hunting based cultures by laws such as this one. This critical fact must be taken into account, and that can only be done by allowing sufficient time to consult with aboriginal peoples on the potentially invasive impact of this bill. We must also ensure that any firearms legislation of general application can be reconciled with the constitutionally protected hunting and cultural rights of aboriginal peoples.

It is true that the bill before us does contain some recent amendments that attempt to address some of the concerns of aboriginal peoples. For example, a recent amendment to proposed section 33 of the bill attempts to exempt some hunters from overly restrictive provisions regarding lending and borrowing of firearms. Unfortunately, the bill will create different classes of aboriginal hunters, and this is cause for concern in the aboriginal community.

In addition, the proposed non-derogation clause for existing aboriginal and treaty rights in this bill does not really give any more protection than provided under section 35 of the Constitution Act, 1982. The reality is that the requirements for public safety in the North and in Inuit communities are different. How can we make the people of the South understand how different we are? Inuit perspectives on public safety and firearms regulation are very different than those expressed in this bill.

Senator Carstairs speaks of public safety, in the sense that owning a firearm could be harmful to another person, depending on how that weapon is being used. How can I describe to you, honourable senators, that for us, a firearm means survival. For us, having ownership of a weapon is also a public safety issue. Those are our tools, not our weapons. They are tools, just as farmers use sledge hammers from time to time, and forks. That is important to you. We do not have captive animals that we can utilize for food in the same fashion as you can. We must go out and hunt in order to survive; in order to feed ourselves.

The economy in this country is not getting much better, although it may be moving slightly upwards now. The people in the North are doing everything possible to feed their families, and they are having a hard time. This bill will further restrict them in that aim. I do not think that this is acceptable in this country today.

Honourable senators must recognize the differences between the South and the North. We do not try to impose the law on you. Neither do we expect you to impose the law on us. At least if there is to be an attempt, let us sit down together and figure out exactly what that piece of legislation will be that will apply to us.

The Northern reality is not accommodated by the proposed amendments. The Inuit need for fresh, nutritious food is dependent on harvesting country food. Inuit needs and rights will be negatively affected by this bill. Inuit culture and tradition will be, once again, invaded and diminished. Once again, we will have to rely on the government to increase welfare, since unemployment insurance will be further restricted now. The only thing that will be available to us now is welfare. Is that what you want? I do not think so. For those reasons, this bill cannot and must not apply to the Inuit. In addition, the Inuit interest in regulating firearms matters in our own communities must be recognized. The government is committed to the recognition and implementation of the inherent right to self-government. This right includes non-ethnic and ethnic forms of self-government.

• (1640)

Honourable senators, even with a narrow understanding of aboriginal rights, the inherent right to self-government certainly extends to hunting activities and related matters. Regulation and control of hunting tools is a related matter necessary to the full enjoyment of aboriginal hunting rights. Hunting firearms are tools of the trade for the Inuit. Therefore, gun control is a vital concern to our right of self-government. The Inuit right to possess firearms is recognized and protected under the James Bay and Northern Quebec Agreement and other Inuit land claims agreements.

The fact that there is not yet a revised federal self-government policy does not preclude the government from seizing opportunities like those presented in Bill C-68 to act on self-government. This would be consistent with the recognition of the inherent right of aboriginal self-government as an existing aboriginal right.

At a minimum, the bill must provide some further exemptions with respect to aboriginal peoples living in claims settlement regions as defined under the agreements, and the area claimed by Labrador Inuit, as well as aboriginal peoples living in remote and rural areas of the country. In short, Bill C-68 fails to account for aboriginal realities that have motivated and compelled aboriginal peoples to stand up for themselves and claim their inherent right of self-government.

As Rosemarie Kuptana, the President of Inuit Tapirisat of Canada, said:

> We have no desire and no intent to tell southerners how they should govern themselves on this important safety issue. We have no desire to deprive the public of protection from criminal or irresponsible use of firearms. But do southerners have the rights to pass laws that work for them but not for us? Bill C-68 is simply not workable in a hunting culture. It seems obvious to us that there will be serious problems of non-compliance in Inuit communities. We object to our traditional activities forever being criminalized by southern decision-makers who are imposing a made in the South solution for Northern communities. It is not fair. It does not make sense.

Likewise, the Minister of Justice of the Northwest Territories, the Honourable Steven Kakfwi, has informed the federal government in very strong terms that non-compliance in the North will be a serious problem for aboriginal peoples and others involved in a hunting lifestyle in his jurisdiction. This is very true. Minister Kakfwi shared his opinion based on his own understanding and years of experience as a legislator and cabinet member in the North, as a member of the aboriginal community, and based on conversations with law enforcement officials in the North. They are the people who have firsthand information about this matter. Not only do they have firsthand information, they live with it on a daily basis. It is they who are telling members of this place how important this issue is.

As aboriginal peoples, we support the legislation, provided it applies only to the South and urban communities such as Toronto, Montreal and Ottawa. It is important to understand and recognize that now is the time to start focusing on this issue. If this bill cannot apply to aboriginal peoples in remote areas, then what can we do to have proper legislation for the North? We are capable of designing regulations and laws for ourselves. However, an opportunity to do that has never been given to us. We would like to have such an opportunity. We are prepared to compromise and to sit down and negotiate. In this way, there will be hands-on development of the law to be. It will be something of which we will be proud.

Senator Lucier referred to the time when there was confrontation between the two parties in this place. I remember when we were sitting around the clock. We strongly tried to make recommendations at that time. Unfortunately, we were not quite successful. Perhaps if we had succeeded at that time, we would have learned something. Perhaps this legislation could have been the second step in the recognition of differences between the South and the North.

There is grave concern among Inuit and other aboriginal peoples about the potential impact of this legislation on aboriginal peoples' cultural practices relating to the use, giving, lending and borrowing guns and to what extent following our cultural practices will expose us to criminal liability. There are serious concerns about how the numerous and complex provisions of this bill will affect the ability of aboriginal peoples to efficiently hunt, and about the added expense of obtaining a hunting licence and registration certificates for the 10 or so rifles the average hunter needs for different game.

There are concerns about how aboriginal language speakers will be able to qualify for a test designed for southerners and whether they will be offered in aboriginal languages and made accessible to aboriginal communities. I suppose that it will be up to cabinet to decide whether or not there will be some money for that purpose. I do not know how many aboriginal languages these forms will have to be translated into.

There are concerns about the effect of the provisions on businesses and individuals involved in outfitting and tourism in Northern communities. These are matters best addressed by aboriginal peoples themselves through negotiated agreements with the federal government.

The number of tourists who go through my community are mostly American. They bring in approximately $3 million on an annual basis in a short season that lasts for the months of August and September. That economy will be affected. I do not have the figures applicable for Labrador and the Northwest Territories.

• (1650)

In summary, the solution does not lie in the proposed non-derogation clause. Equally important, the solution does not lie in giving regulatory power to the federal cabinet to determine the precise application of this bill to aboriginal peoples. The solution will be providing some exemptions respecting the use of hunting firearms by aboriginal peoples until the issue of self-government is fully addressed.

Honourable senators, as you can see, we are not disregarding the importance of this bill. We are merely asking honourable senators to recognize the reality on the other side. When I say "the other side," I am talking about people who live in the North and in remote communities. This law is designed for the South and not for remote or isolated communities. While I am talking to you today, I can see where my people are and what they are doing. It is easy for me to say those things but to try to translate those into a reality step by step is almost impossible.

I see an old lady by the shore waiting for the tide to come in and for her husband to return from hunting. Perhaps the old lady is looking after her grandchildren. Her husband, the provider, does not leave her behind without equipping her with tools. One of the tools is a rifle. That tool is necessary when alone in case a bear or a wolf were to come into that camp. Therefore, it is for survival.

One could say that that situation could be taken care of even with the registering of rifles. Maybe so. How many of those people will understand and be able to comply with that law to protect themselves from becoming criminals? If it is simply registration, perhaps we do not have too much of an argument, even though that bothers us because we have to wait.

Let me give another example of what could happen. I am not saying that it will happen, but it could happen. I am getting ready to go out and I have gone down to the beach to my boat, when I realize that I have forgotten something. I look around to see who can help me. I may see someone who might or might not be related to me, but who does not have a certificate and does not have the right to purchase anything. If I ask him to go to the store and pick up something and he gets caught by law enforcement officers on the way to pick it up or on the way back to deliver it to me, he becomes a criminal because he did not do exactly what the law tells him to do.

I could use many examples when carrying my rifles in snowmobiles, canoes or boats. While travelling along I may meet an animal that may endanger my life. Where is my rifle? It is locked up in the sled. I would first have to unlock the sled before I could protect my life. Those are some examples of situations we may face. That is why, if a law is to be made for the north, it has to be made by the North and not imported from the South. Neither do we expect a law for the North to be exported to the South, because it would not work. This is what our people are saying. This is what our Northwest Territories Minister of Justice is saying. This is what oour President, Rosemarie Kuptana, is saying. I know senators will do the honourable thing.

**Hon. Gerry St. Germain:** Honourable senators, I rise today after listening carefully to the thoughtful speeches of Senators Carstairs, Ghitter, Lucier and Watt. This is an emotional issue for many of us. I know it is for Senator Watt. It is something that tears at the heart and soul of this man and his people, people in the North and people in remote parts of this country.

Honourable senators, I am a strong proponent of gun control. Those of us who live in a culture and have a background or grew up with guns are all strong proponents of gun control. We would never want to shirk our responsibility in this area, nor would we want our people or our children to do so.

I also support the crime control aspects of Bill C-68. It is very important that we reassess our laws and make certain that those who misuse guns in our society, whether they are handguns or long guns, are brought to justice and face the heaviest of penalties.

Over the last few weeks I have met with people on both sides of the issue. Some have said this is a right-left issue. I do not agree. This is not a question of being left, right, Liberal, Conservative, socialist or non-socialist. This is a question about people and the make-up of this great country.

Manitoba, the area that Senator Carstairs represents, is diverse and beautiful. It is my home province, where I grew up. I grew up in a society similar to that of the Honourable Senator Marchand from the Okanagan. My father was of Métis background. He trapped muskrats and beavers, which is how I managed to pay for my education. I grew up with guns and I have the deepest of respect for them. In the same breath, I can also fully understand those in society who have no idea what guns are all about. Some of those who live in downtown Toronto or Vancouver, who have never had guns, some of whom are my friends, think there should be no guns. I can understand why they believe that. Honourable senators are being asked to understand some of the issues that have been put forward so adeptly by both sides.

Manitoba, Saskatchewan, Alberta, Ontario, the Yukon and Northwest Territories will all have problems putting this legislation into effect, if it is passed through this place and receives Royal Assent.

Today I met with Wendy Cukier, head of the Gun Control Coalition. She said it is important that I hear from both sides and from the leaders of those who have taken the issues to task across the country. As Senator Ghitter pointed out, there has been no marked change in violent crimes. As a matter of fact, I believe there has been a reduction.

• (1700)

It behooves me to ask why, from out of nowhere, this legislation has come forward in the manner that it has. I have asked on numerous occasions if there is any documented proof that gun registration will reduce crime. You hear the extremes on both sides, but when it is analyzed, there is nothing documented that would prove this.

New Zealand is a living example. I received a briefing book from Minister Rock, and I thank him for this. The New Zealand issue was brought forward. The briefing book, in discussing this issue, says that the reason the national registration in New Zealand was suspended is that they did not have the technology to run the register. I find it very strange that the Microsofts of this world could not quickly make a program available that would do this task.

We then discussed the rural/urban split, the North, the South and the remote areas. Mainly, I discussed the impact this bill will have on the aboriginal peoples and those who maintain their livelihood from hunting and trapping.

Unfortunately, a vast percentage of our prison population today is aboriginal people. This is a very sad fact that I think we must deal with. I believe that by making it a criminal offence not to register a firearm, this legislation will expose more of these people who have suffered at the hands of each one of us from the South because we failed to understand what we were dealing with. We still do not seem to understand what we are dealing with, whether we are Liberals, Conservatives, New Democrats or whoever; we just do not seem to understand.

The Department of Indian and Northern Affairs, God bless them, most likely had the best intentions from day one, but they have not accomplished what they set out to do. The horrific problems that exist in these communities will be further exacerbated by penalizing these people for failing to register their firearms — something with which they often make their livelihood, something which is part of their life — making them criminals and incarcerating more of them.

I was a police officer for six years in Manitoba and Vancouver. Believe me, there are over-zealous people in all professions. As Senator Watt said, think of the abuse of the system that could arise in the North with people moving around with guns but without the proper locking devices on them, and becoming criminals automatically for failing to register. Honourable senators, let us take some time to think about the impact this bill will have on a people with whom, in the past, we have not been that fair.

In this chamber today we have discussed the aspect of the minister's statement that at one time he felt that only the police and the military should have guns, and only after speaking to some of his colleagues did he change his opinion. I can understand why he would think like that, because many of my friends with whom I play golf in Vancouver and various other places also think like that. However, since he is the minister spearheading this particular initiative, I would hope that he will listen carefully to Senators Ghitter, Watt, Lucier and others as they put their cases forward on this important issue.

We have heard the analogy that registering a gun is like registering a motor vehicle. Colleagues, I can have warehouses full of cars, and I do not need to register them. That analogy was used in the briefing book as well.

Senator Carstairs, I believe, used the analogy of the driver's licence. I can have all the cars in the world and I do not have to register a single one unless I drive it on the highway. If I fail to register a motor vehicle and I drive it on the highway, I do not become a criminal. That is what is so horrific about this legislation. It makes criminals out of people for failing to do something.

Honourable senators, I have listened and I will continue to listen. If it can be proven to me that public safety can be increased and crime reduced, I would look at some form of legislation with greater scrutiny. This past weekend I was in Hamilton. I do not know how correct this is, but the information I was given is that Hamilton has 33 less police officers on the street this year than they had last year as a result of restraints. Possibly the millions of dollars the government will be putting toward gun registration would be better spent on more police, better technology, better equipment, better understanding, and better community policing and training.

I spoke to a young police officer just last night here in Ottawa. Even though he is a great supporter of the government in power today, he agreed with me that this is where the focus should be.

I believe we must look at the technical side of the bill, the constitutionality of it, and whether we can split the bill. Senator Ghitter said that it would be very complex to split the bill, but we should still consider doing so. Senator Ghitter talked about the ugly guy. I am the ugly guy. I look in the mirror but I have never broken it, and I do not intend to do so. I think we should look in the mirror; look at the legal aspect, the parole side, the judicial side of things, and the penal system in general.

Senator Watt did not put it this way, and I do not want to attribute the words directly to him, but I think this is Bay Street, Howe Street and Sherbrooke Street trying to foist their requirements on the little back havens of Main Street. I would hate to think that we might need to go through another National Energy Policy scenario, or high interest scenario, as a result of doing what Toronto, Vancouver and Montreal want.

Senator Watt also referred to the GST debate. He said that should have been step number one. I was not here for that debate, but I understand that it was quite feisty, and very controversial. If it was not possible to make the GST the first step in this side and that side working together for a better, safer and fairer Canada, let us make this the first step.

Honourable senators, you have my commitment that I will listen. I am prepared to learn, but I want fairness, and I want the people of Canada to come out of this debate as the winners. I want to see a country where governments do things for people, not to people.

On motion of Senator St. Germain, debate adjourned.

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# ROUTINE PROCEEDINGS

## CANADIAN DAIRY COMMISSION ACT

### BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-86, to amend the Canadian Dairy Commission Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

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# ORDERS OF THE DAY

[*Translation*]

## CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**The Honourable Lise Bacon** moved that Bill C-41, an act to amend the Criminal Code (sentencing) and other acts in consequence thereof, be read the second time.

She said: Honourable senators, the need to reform Canada's sentencing process has been pointed out several times by judges, parliamentarians, partisans of legal reform and members of the legal profession. In fact, for 20 years now, various organizations, one royal commission and the Law Reform Commission of Canada have been calling for this reform.

More recently, in 1987, the Canadian Sentencing Commission issued a report containing several recommendations. Then, in 1988, the House of Commons Standing Committee on Justice and the Attorney General made recommendations regarding changes to be made regarding sentencing, conditional release and corrections.

Agreeing that reforms were needed, the Liberal Party promised in the election campaign that it would overhaul the sentencing process, a promise it followed up on in its Throne Speech at the opening of the new Parliament.

Bill C-41, which was tabled in the House of Commons on June 13, 1994, received third reading on June 15, 1995. I recommend today that this house approve this bill in principle.

This bill makes history, because it is the first time that the public has expressed its wishes regarding the objective and the principles of sentencing through the parliamentary process. No such statement exists at present in the Criminal Code. Judgments by the courts tend to identify certain broad principles, but these may vary from province to province. Parliament's role to date insofar as sentencing is concerned has been limited to setting maximum penalties for very specific offences.

The changes proposed in this bill have been broadly accepted by criminal justice professionals, by the provinces and by the territories.

Another aspect implicit in the bill is harmonization with federal corrections legislation. The purpose and principles set forth in Bill C-41 are compatible with the Corrections and Correctional Release Act.

I believe that sentencing practices in Canada must consistently reflect the values that Canadians have told us are important to them in the treatment of offenders. Considering the fact that criminal sanctions provide for one of the most serious intrusions by the state into the lives of individuals, it is quite remarkable that no policy statements have been forthcoming from their representatives in Parliament.

Through this bill, Parliament provides the courts with clear guidelines. The bill provides that the purpose of sentencing must be to protect society, to rehabilitate offenders and promote their sense of responsibility, to provide reparations for harm done to victims or to the community, and to deter offenders from repeating.

The bill also defines various sentencing principles. For instance, the sentence must be proportionate to the gravity of the offence and the offenders' degree of responsibility. When appropriate, alternatives must be contemplated, especially in the case of native offenders. The establishment of a statement of the purpose and principles of sentencing has been endorsed by the Canadian Sentencing Commission, the Standing Committee on Justice, the House of Commons and the Law Reform Commission of Canada.

This bill is too vast and too detailed for me to analyze all of its clauses. I would, however, like to stop at those I find particularly important.

The statement of purpose and principles augments the normal sentencing practice of considering extenuating factors.

• (1710)

First, an aggravating circumstance is considered to be the fact of abusing a position of trust or authority in relation to the person. The matter of abusing trust has been covered by many recommendations, along with acts of violence against children, women and other vulnerable persons. Statistics Canada's investigation of violence against women in 1993 revealed that nearly one woman in two had experienced violence by men known to them. The 1984 Badgley committee called for the protection of children from persons they already know and perhaps trust. By including the aggravating circumstance, Parliament has shown it wants criminal law to also protect persons who are vulnerable.

[*English*]

Proposed section 718.2 is part of a statement of purpose and principles about sentencing that would provide direction to the courts on the fundamental purpose of sentencing: To contribute to the maintenance of a just, peaceful and safe society. Proposed section 718.2 says that when an offence is motivated by hate based on race, national or ethnic origin, language, colour, religion, sex, age, mental or physical disabilities or sexual orientation of the victim, it must be considered an aggravating circumstance by the judge when he or she is determining a sentence.

It should be emphasized that the Crown Attorney must prove that the crime was motivated by bias, prejudice or hate against the victim. This motivation is an additional element that must be proven to the court, and it cannot simply be deemed to exist.

Every person has a right to personal security but the record shows that if you belong to certain groups in our society, you may be less secure than the rest of us.

Crime motivated by hatred against identifiable groups is increasing in Canada. For example, Metro Toronto police have seen a 61 per cent increase in reported hate crimes in that city between 1993 and 1994. B'nai Brith reports that there are now over 40 organized hate groups in Canada. Responding to this growing problem, police forces across the country have established hate crime units devoted exclusively to investigating and acting on hate crimes.

When people are targeted for hate-motivated crime, it is almost always because of the factors identified in proposed section 718.2; namely, race, nationality, colour, religion, sex, age, mental or physical disability or sexual orientation.

The bill recognizes an important societal value. When a crime is motivated by hate, the victim is not limited to those who are directly affected. Hate crimes hurt all members of the group to which the victim belongs by making them feel vulnerable and afraid. The sentences for these crimes must reflect our collective condemnation as a society of crimes not only targeted against individuals, but against groups as a whole.

Indeed, Canadian courts have already recognized the principle that hate motivation should be taken into account in sentencing. Bill C-41 would legislate a principle that now exists in case law and would ensure uniformity across Canada in sentencing practices related to hate-motivated crimes.

Notwithstanding the assertions of some of its critics, there are a number of things that Bill C-41 does not do. The bill does not extend special rights to any one group, nor does it condone or recognize any particular lifestyle. All Canadians are represented in the list of grounds in section 718.2. No one is given special status. Rather, Bill C-41 is an important part of the government's efforts to protect the right of all Canadians to participate fully in the social and economic life of their country.

• (1720)

Some have suggested that there is a need to define sexual orientation, which is one of the listed grounds. The inclusion of the term in the bill does not set a precedent in federal legislation. "Sexual orientation" is not a term that is new to the law. It has in fact been used in Canadian legislation since 1977. For example, it appears in provincial human rights legislation in eight jurisdictions within Canada, including Ontario. Courts and tribunals examining sexual orientation issues have never had difficulty understanding or interpreting the meaning of the term which, as set out in case law, is unambiguous. It does not and could not include criminal acts such as paedophilia, which are clearly described and provided for in the Criminal Code.

Terms are defined in legislation for a purpose, usually to add clarity or to remove confusion. Where there is no confusion, as is clearly the case here, definitions are not justified or required.

Others have questioned why we need to include a list of specific grounds at all. There are two reasons for this. First, the section lists the grounds on which hate crime is almost invariably motivated, based on the facts as we know them at present. It simply makes sense to spell out these characteristics directly. Second, the Supreme Court of Canada has signalled in its decisions concerning hate crimes that if hate-related legislation is not carefully tailored, including identifying the target groups that it is intended to protect, then it could be vulnerable to legal challenges under the Charter for being overly vague. If legislation protecting vulnerable groups is to be preserved and effective, it must spell out the groups it is meant to protect.

The bill does not create a new hate crime or expand existing hate provisions in the law. It would not affect freedom of expression, conscience or association. The provisions of the bill do not and cannot prohibit people from holding beliefs or from talking about them within their churches or communities. Rather, the bill deals with people who commit crimes.

Finally, the bill will have no effect on the issue of same-sex benefits. The issue of same-sex benefits under the Canadian Human Rights Act and the Charter is already before the courts and human rights tribunals. Bill C-41 will in no way change the present state of the law in this area.

Bill C-41 is an important part of the government's efforts to protect the safety and security of all Canadians. Proposed section 718.2 of the bill is exactly what it appears to be — a provision in the Criminal Code intended to guide courts in determining the appropriate sentence for criminal offences.

The bill in no way detracts from the importance Canadians place on strong, healthy families. Rather, it recognizes that families thrive best in an environment where all citizens enjoy the same protection and the same opportunity to contribute to their community.

[*Translation*]

Honourable senators, we must never neglect the suffering of victims of criminal acts, and the bill paves the way significantly in this regard. The statement of purpose and principles specifically indicates that objectives for sentencing include the provision of reparation for harm done to victims or the community and the promotion of a sense of responsibility in offenders, an acknowledgement of the harm done to victims and the community. This is not all.

The bill also provides that any information provided by the victim is taken into account during the hearings held under section 745 of the Criminal Code. It sets out a new set of measures respecting restitution developed cooperatively by the federal government and our provincial colleagues. There is a priority given to restitution. If a court finds it appropriate to award both a fine and restitution, the priority will go to the victim. Provision is made to ensure that restitution orders can be enforced by civil courts. Finally, the Criminal Code will specifically state that any restitution ordered by a criminal court will not limit a victim's right to sue for damages in the civil court.

At the present time, nearly a third of the people liable to incarceration in provincial jails are in that situation because they did not pay fines, and statistics have shown that natives are the most at risk. The bill tries to remedy this situation as follows. The new provisions state that the court must be convinced that the offender can pay the fine contemplated before imposing it. In case a fine is not imposed because the offender would not be able to pay it, the offender will be liable to other penalties such as probation or community service. Measures are provided in the bill to help provinces collect outstanding fines. Provinces will be able to use the same mechanisms to enforce fines under the Criminal Code as they use for provincial statutes. Provinces will be able to refuse to issue or to renew permits or licences until a fine is paid. Incarceration would be retained only as a final enforcement. Ultimately, these proposals will result in less crowded institutions and should decrease the costs for the system without compromising the effectiveness of criminal justice.

[*English*]

Honourable senators, I should like to emphasize a new proposal in this bill called a conditional sentence. Where a court imposes a sentence of imprisonment of less than two years and is satisfied that serving the sentence in the community would not endanger the safety of the community, it may order that the offender serve the sentence in the community rather than in an institution. Offenders who do not comply with these conditions can be summoned back to court to explain their behaviour and to demonstrate why they should not be incarcerated. If the court is not satisfied with the offender's explanations, it can order the offender to serve the balance of the sentence in custody. This section is aimed at less serious offenders who would otherwise be in gaol but who could be in the community under tight controls.

This provision would promote protection of the public by seeking to separate more serious offenders from the community while providing less serious offenders with effective community-based alternatives. It also means that scarce funds can be used for incarcerating and treating the more serious offenders.

There is a provision in this bill requiring reasons for sentences, to be given in all cases. This measure will encourage well-reasoned decisions, will assist courts of appeal and will serve an educative function. Giving reasons will assist in making more clear what is intended by the courts and should enable the public to relate what is done in sentencing to the policy approved by Parliament. These changes should help to deal with the confused view of sentencing held by the public as described in the report of the House standing committee and by the Canadian Sentencing Commission. This change should help us to evolve sound government policy in criminal justice with broad, better-informed public support.

[*Translation*]

All of these proposals are designed to increase public accessibility to the law concerning sentencing, to make it more understandable and to make it more predictable. The bill includes a complete restructuring of Part XXIII of the Code. It brings together most of the provisions relating to sentencing now in the Code and presents them in such a way as to make them more logical and more accessible, both to criminal justice professionals and to the public.

Honourable senators, with this bill and with other initiatives, the government is providing a balanced and comprehensive approach to crime. Sanctions will not solve all our social problems, but the bill will contribute, along with other crime prevention initiatives, to respect for the law and the maintenance of a just, peaceful and safe society. Aspects such as the denunciation of unlawful conduct, deterrence of offenders and other persons and separation of offenders from society, are emphasized in the case of offenders in whose case such sanctions are necessary.

On the other hand, this bill creates an environment which encourages community sanctions, the rehabilitation of offenders, reparation to victims and the community and promoting a sense of accountability. It is not simply by being more harsh that we will achieve more effective criminal justice. Most offenders are not violent, and most offences do not require severe sentences. This bill relies on the strength of our criminal system and our communities and makes the penal system more sensitive to the needs of Canadians. We emphasize the rights but also the responsibilities of individuals. The passage of this bill will represent a significant development in law reform sentencing in Canada. It is a measure of which Parliament may be proud.

On motion of Senator Jessiman, debate adjourned.

## CANADA COUNCIL

CLOSURE OF ART BANK—INQUIRY—DEBATE ADJOURNED

**Hon. Eymard G. Corbin** rose pursuant to notice of Wednesday June 14, 1995:

> That he will call to the attention of the Senate that, for all intents and purposes, artistic and cultural groups unanimously opposed the announced closure of the Art Bank of the Canada Council.

He said: Honourable senators, the Art Bank of the Canada Council is the largest collection of modern visual and media art ever assembled in the history of this country. It must be preserved as a unique heritage. The Bank's programs are authentically Canadian. This time, others are copying us.

In the preface of the blue book entitled "Vers une nouvelle perspective — A design for the future" one can read the following:

> Cultural activities are now an important industry which directly or indirectly accounts for close to half a million jobs—

**The Hon. the Speaker:** Order, please!

**Senator Corbin:** I do not know whether it is because I speak French or talk about the Art Bank.

As I said, in the preface of the blue book of the Canada Council, which is entitled "Vers une nouvelle perspective - A design for the future", one can read the following:

> Cultural activities are now an important industry, which directly or indirectly account for close to half a million jobs. However, our artists and artistic institutions still remain in a precarious situation.

The president of the Canada Council, Donna Scott, and the director, Roch Carrier, announced the decision to end the Canada Council Art Bank program.

In the March 1, 1995 press release, they said:

> From now on, we will distribute the funds through direct assistance to visual and media arts activities and we will call upon recognized professionals of visual and media arts to form a committee which will make recommendations on the future of the Art Bank collection.

I know for a fact that some professionals, and important ones at that, refuse to take part in this burial ceremony.

The announcement of the demise of the Art Bank had the effect of a thunderbolt in the visual arts environment. The press reacted swiftly. The artistic circles showed their indignation and grieving through letters of protest and briefs.

Personally, I would never have imagined that someone would have dared to simply do away with the Bank without first holding real consultations with the parties concerned. There has been no consultation in the real sense of the word. The meetings (I have it from a well-informed source) have been stormy and negative. No one had recommended the closure of the Art Bank. According to the press, the meetings that were held in Toronto, Montreal and Vancouver were catastrophic. These were workshops organized hastily. The staff of the Art Bank was never consulted.

How did we get here?

First, a few words about the history of the Art Bank. Three years after its creation, Robert Fulford wrote that...

> ...it is one of the most inspired notions in the history of public cultural patronage.

[*English*]

> ...one of the most inspired notions in the history of public cultural patronage.

[*Translation*]

It was Suzanne Rivard Le Moyne, an artist and teacher, who, back in 1971, had the bright idea to create an art bank. Informed people from the Secretary of State, the Canada Council, Treasury Board and the Cabinet then gave their wholehearted support to the project.

In a submission to Treasury Board made on December 30, 1971, it was clearly established that the mandate of the Bank was as follows:

[*English*]

> Development of a collection of works of art (art bank) for use in federal offices and public buildings on a rental basis... This proposal is made by the Secretary of State Department to complement Treasury Board's guidelines on furniture and furnishing, and will be implemented by the Canada Council.

[*Translation*]

Furthermore, it is said in this document that the program will not be abolished without consultation with the federal government through the Secretary of State. Today, the Council is telling us that its role is not to decorate the walls of federal buildings. Of course, the Art Bank does more than that. This is to misunderstand the varied effects of the activities of the Art Bank, first of all on the artists themselves, the ones who are the most seriously affected by the Bank's termination.

On May 19, 1972, the Honourable Gérard Pelletier announced the creation of the Art Bank. This was a government decision and Canada Council was, and I quote:

> ... responsible for the implementation and administration of the project.

Clearly, by accepting the innovative and original proposal to create an Art Bank, the government was designating the Canada Council as its representative. The House of Commons, acting in the name of all Canadians, approved the votes necessary for the implementation of the project, as it has done ever since. The bank evolved over the years. It experienced a few minor crises (including an independence crisis), but on average, it grew and enjoyed a great success, according to successive councils and an artistic community generally very happy with the results. There was so little for visual arts, mere peanuts, and now they decide to get rid of something that was running so smoothly!

Honourable senators, I must sadly skip the historical background of the Art Bank for lack of time. However, for those who are interested, I strongly recommend an excellent master's thesis on the Canada Council Art Bank by Mrs. Marianne Hegveitt. See how thick it is!

I also recommend the collection catalogue published for the Art Bank's 20th anniversary, in 1992. I equally recommend the very recent report of the Canada Arts Conference on possible alternatives, published after the shutting down of the Art Bank.

It would be useful to remind senators that all governments since 1971 have supported the Art Bank. As recently as 1992, in April, to be more precise, a new Treasury Board directive on works of art on federal properties became the policy to be followed by federal departments and agencies. This policy, which supports the objectives of the Bank supporting and recognizing Canadian artists, requires that works of art displayed in government buildings be rented from the Art Bank. Loans also have successfully gone beyond federal buildings over the years. The bank is also a very rich source of information and resources for the public, researchers, historians and many others.

We must then ask the question today: By what right can the federal minister decide to abolish this program? Did the current government give him permission to do so? Was the Minister of Heritage "consulted", as was required by the Treasury Board directive? Did he agree to the bank's demise, since he had approved its creation, or must we rely on the statement that he made on May 9, 1995 in the House of Commons, to the effect that, and I quote:

> The Art Bank is the exclusive jurisdiction of the Canada Council. It is for the Council to decide what to do with it. On the other hand, I can tell you that I would be delighted to see some arrangements with the private sector and other stakeholders to ensure the bank's survival.

In light of my earlier statements regarding the willingness of governments to create and maintain the bank, and of the unique role played by the Department of Canadian Heritage, which took over the former Secretary of State's responsibilities for arts and culture, I must tell you that I was flabbergasted to read this in the *House of Commons Debates*.

Unlike some elected parliamentarians, I am not using this inquiry for partisan purposes. My goal is not to score political points. I am denouncing a laissez-faire, almost iconoclastic policy of indifference, which has been eroding our cultural and artistic institutions for some time in the sometimes dubious hope of achieving petty, sordid savings.

This is not the first time I have had to oppose this kind of decision, since I questioned the National Film Board's actions in the Eastern provinces when I was a member of Parliament. I clearly remember than my friend Jean-Robert Gauthier supported me at the time.

I think along the same lines — which is the line of fire and not necessarily the most popular position — as some of my colleagues across the way who, on June 10, 1993, opposed merging the Canada Council with other human research and science organizations. I remember the commendable gesture by these senators torn between a longstanding loyalty to their party and the defence of an idea, a principle that prevailed in the end: the Honourable Senators Atkins, Chaput-Rolland, Johnson, Macdonald (*Halifax*) and Marshall voted against the legislation

to merge the Canada Council, while three others — the Honourable Senators Carney, Everett and Forrestall — also showed true grit by not voting. I know for a fact that at least one other senator did not even show up for the vote to protest against the bill.

The difference this time is that there is no legislation before the Senate to reverse, or allow the honourable senator to reverse, the decision to shut down the Art Bank.

The situation is nevertheless critical. Time is of the essence, as we say. The council refused to reconsider. It cannot use the arm's length pretext in this case, although it will, because this is a cultural property that belongs to us.

The Art Bank belongs to all Canadians. We must do something. I call upon as many of my colleagues on both sides of this chamber as possible to show their concern.

All it takes is a dozen or half a dozen senators who feel up to meeting the challenge and we could help overturn the decision to abolish the Art Bank. Otherwise, one could rightly point a finger at our indifference and lack of conscience. The fact is that nothing was done in the other place about this. If half a dozen or more senators — the more the better — got together, we could ask that a committee look into this issue and report back to the Senate and government. It is up to us. This is something we can do, with leave of the Senate.

Before closing, let me quote from a few papers, briefs and letters that denounce the closing of the Art Bank.

First of all, I take this opportunity to challenge one of the recommendations made by the Canadian Conference of the Arts' expert advisory committee in its report. It recommended that the Arts Bank not be dismantled but rather continue to exist as a complete collection as an integral part of the Arts Council. In my opinion, the committee should have gone no further, because by adding in the same breath:

> ...that the Council will retain ownership of the collection while at the same time entering into a management and administration contract with one or more non-profit organizations

It has emasculated the first part of its fifth recommendation and weakened the first four.

Apart from this serious flaw, the group of experts has done an excellent job, given the time and means at their disposal, and I congratulate them.

The coalition for the defence of the Montreal Art Bank, which includes artists and their associations, as well as those working to advance the promotion and study of the arts in museums, art centres, exhibition halls, galleries, and universities declared that:

> The Canada Council says it wishes to work with the visual arts community in deciding on the fate of the Art Bank. The coalition takes this at face value and refuses purely and simply to accept the decision to get rid of this exceptional heritage. In particular, it is not happy that the closure was announced without prior consultation with the arts community, as this veritable national contemporary art museum belongs not just to the Canada Council, but to the whole country.

In the May 18, 1995 issue of the *Globe and Mail*, Bronwyn Drainie wrote:

[*English*]

• (1750)

> ...the council...has made three big mistakes since announcing its new strategic plan in March...it has closed down the Art Bank...indicate(s) a profound misreading of how art and artists are developing in Canada in the mid-nineties and what they need to survive and prosper....the Canada Council decided to axe the entire Art Bank in the name of "getting back to the mandate" and "protecting grants to artists". But what ...is the point of giving grants to artists to create art that doesn't get sold or seen? The federal government, through the Art Bank, was an important purchaser and displayer of Canadian art, and increasingly artists in this country are viewing those functions as just as crucial to their success (if not more) than a B grant every couple of years.

[*Translation*]

Lilian Rodriguez, who is the president of the association of contemporary art galleries in Montreal, made the following statement in the April 2, 1995, issue of *La Presse*:

> It is with sadness that we realize that, in 1995, it is still necessary to point out not only the extreme importance of the symbolic and identifying role of culture in our society, but also its obvious usefulness as a tool to gain knowledge and reflect on the world, as well as to promote personal and social development. To seal with one signature ... the fate of Canada's most important contemporary art collection is to spread the idea that Canadian art is not worth collecting.

In the March 2, 1995 issue of *Le Devoir*, Laurier Lacroix, a museology professor at the Université du Québec in Montreal, is quoted as saying that the decision to dispose of this collection is "rather disastrous".

On March 25, 1995, *La Presse* printed this huge headline:

The closing of Canada's Art Bank: A catastrophe!

On March 7, a national dispatch from the Canadian Artists' Representation had this title:

[*English*]

Canada Council Strategic Plan A Disaster for the Visual Arts. Many artists are upset about the total lack of consultation surrounding this decision. The artists, the advisory committee, arts organisations, dealers, section heads and staff were kept in the dark. One can only surmise the "consultation" of last December (1994) with no mention at all of the Art Bank, was more of a farce than it seemed at the time. This decision is being rubber stamped by a Board (which at the time was) only half filled, and lacks (at the time) representation from the visual arts.

That post has since been filled.

I am going beyond my time. I should like the indulgence of honourable senators to continue. I have but a few remaining minutes.

**The Hon. the Speaker:** Is that agreed, honourable senators?

**Hon. Senators:** Agreed.

[*Translation*]

**Senator Corbin:** In a letter sent to the Canada Council director, René Blouin of the Galerie René Blouin, in Montreal, wrote:

Most disturbing however is the way the decision was made ... This organized improvisation...

I do not know how one can organize improvisation but these are the words of René Blouin.

... is confirmation that the impact was not measured...

And there is more.

Vera Frenkel, who, a few years ago, received the prestigious $50,000 Molson award from the Canada Council, wrote this in a letter to the council's director:

[*English*]

Council is attacking precisely those means by which Canada's visual artists communicate with the public and with each other, and through which their expertise is remunerated and valued.

[*Translation*]

In a March 27 letter to the Canada Council director, Lynne Cohen, an internationally recognized Ottawa photographer, wrote, and I quote:

[*English*]

...I did not expect one area of the Canada Council to assume such a large share of them, (cuts) surely some sort of restructuring would have been better than completely closing this important institution.

[*Translation*]

On April 24, 1995, that same person who, incidentally, is not only a competent photographer, but also a visual arts teacher at the University of Ottawa, wrote this to the same director:

[*English*]

I have just seen the Canada Council strategic plan...

[*Translation*]

This is the little blue book to which I referred earlier.

[*English*]

I have just seen the Canada Council strategic plan ... and am distressed by what I read. I am especially troubled by the suggestion that the system of peer review is to be undermined... I have never participated in a process which could be said to more democratic, fair and efficient.

I could go on for hours, honourable senators. I think you have the gist of the problem and the scope of the disaster for Canada's visual artists in particular and the sense of ridiculous loss for Canadians generally of one of the brightest ideas and the best damn program ever to exist within Canada Council. What a pity. What a tragedy.

[*Translation*]

Honourable senators, I am nearing my conclusion. This time, they have attacked the Art Bank. Before, it was the exploratory program of the Arts Council. They have also hit the NFB and the CBC. Certain ministers, and I will not name any names to avoid embarrassing them because I have nothing against them personally, and, I repeat, I am not after political points because we are simply debating principles; as I was saying, certain ministers have reduced all cultural and artistic activity, at least they perceive it as a cultural industry, to a commercial value to be marketed or even to be exported. I am not opposed to this in principle, but I would like to say that art is much more than this. Capitalism and art have sometimes gotten along well in the past. They continue to do so. Currently, the almighty dollar appears to be king. The artist is taken for a peon.

We have evidently lost all notion of north and south, east and west. We have all but forgotten all of the efforts that this country made over the forty five years following the Massey commission to find its soul and its heritage whose value is priceless. We have demolished without just or justifiable cause the shining successes of our predecessors: the only thing we are proceeding with today are funerals.

We must make haste to stop this bloodletting, this anti-intellectualism. It seems to me that the government should establish an independent commission presided over by a celebrity to review its policy on funding the arts and culture without delay. We are currently in an acute state of crisis. We must act now.

If there is no evidence of any will to do this, in my opinion, the Senate should seriously consider the possibility of thoroughly reviewing the issue and issuing a report as soon as possible. If there is the will to do this, I would be prepared to draft an official motion to this effect after consulting any interested colleagues who may come forward, and I suspect that some of them will.

Honourable senators, I would like to thank you for being so courteous as to grant me an extension of time and for your attention.

[*English*]

• (1800)

**The Hon. the Speaker:** Honourable senators, it is six o'clock. Under the *Rules of the Senate* I am to leave the Chair and return at eight o'clock. However, if it is your wish that I not see the clock, we can continue.

Is it your wish, honourable senators, that I not see the clock?

**Hon. Senators:** Agreed.

**Hon. Pat Carney:** Honourable senators, I wish to ask the honourable senator if he would accept a question before the debate is adjourned.

**Senator Corbin:** I would be delighted to attempt to answer the honourable senator's question.

**Senator Carney:** I do not wish to delay either Senator Kenny's amendments or your dinner, Your Honour, but I, too, am a great supporter of the Art Bank of the Canada Council and have in my Senate office a work of art by a BC artist who is well established, Annie Popperwell. I am told that I cannot renew the lease on this painting. In discussing the matter with the artist this weekend, she has no idea what will happen to her work. It is not clear whether I am allowed to buy it or what will happen to it.

In your deliberations on this issue, will the honourable senator seek to clarify what will happen to the art in the Art Bank of the Canada Council if we are not allowed to continue to lease it. The artist is not allowed to sell it. It is in our interest to support the artist and to keep the art in a public place.

**Senator Corbin:** I thank Honourable Senator Carney for her question. I think I have some element of an answer for her. Under the arts bank program, artists can purchase back the art originally bought by the Art Bank. Any artist can buy his work back at cost plus a small administrative overhead for the time that the bank has had it. That is one avenue the honourable senator could explore if she likes that work of art so much; namely, contact the artist. I do not believe any one but artists are entitled to purchase from the Art Bank at this time.

I met with the director of the Canada Council last week. He emphatically told me that the council has no intention of reversing its decision. The mandate of the group of professionals that they are putting together to examine the disposal of the Art Bank does not include purchases by the public at this time. However, they may decide to recommend that some of the art that has never been rented be purchased.

I understand that over the years, over 80 per cent of the collection of 17,000 pieces of work has been rented out. The honourable senator is correct in that the lease contract will be allowed to expire. That is the end. Unless the artist purchases that work of art, it will remain in the bank in whatever shape or form it will have in the future, if Parliament does not decide to take this tiger by the tail.

On motion of Senator Roux, debate adjourned.

## ALTERNATIVE FUELS FOR NTERNAL COMBUSTION ENGINES BILL

### MOTION FOR CONCURRENCE IN COMMONS AMENDMENTS— DEBATE ADJOURNED

**Hon. Colin Kenny**, pursuant to notice of earlier this day, moved:

> That the Senate concur in the amendments made by the House of Commons to Bill S-7, to accelerate the use of alternative fuels for motor vehicles, without amendment; and
>
> That a message be sent to the House of Commons to acquaint that House accordingly.

He said: Honourable senators, it is a happy day for me. I am pleased to see that that happiness is shared.

I want to thank both sides for their assistance with this bill and, in particular, Senator Nolin, who has worked very faithfully to help get the bill through the other place.

The work throughout on this bill was non-partisan. All members of the committee were extremely helpful, and different members of this house have helped me in individual ways for which I am very appreciative. I am conscious of how little one can accomplish by one's self here in Parliament, but it is incredible how much one can get done with the cooperation and the help of one's colleagues.

All of the amendments that came back from the other place were originally recommended by me when I appeared before the committee over there. They are operational in nature and designed to provide managers with the ability to implement the law effectively.

My view is that the role of legislators is to provide general direction and point the way. However, we cannot predict the future with any clarity. We do not know, for example, what changes are likely to come to technology or to the fuels themselves. It is important that managers in the future who are implementing this law have the capacity to manage and to take into account the changes that technology will bring.

If I may, I will briefly go through the amendments that came back so that you might have a better understanding of them.

Clause 2 is the first sheet of paper available.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, may I rise on a point of order? I am a little surprised at the procedure we are following here. Although it is not a government bill, it is still a bill which goes through the normal procedure. Is it expected that we will discuss the amendments without going to committee? That may be Senator Kenny's idea, but is it the Senate's understanding that this bill will be treated in this most unusual way; namely, that the sponsor of the bill will explain to us the amendments which have been proposed on the government side, and we will dispose of it without any more discussion? In other words, this bill will not go back to committee where it has already spent some time and received serious study from the government ministers involved? I find this extremely unusual and wonder why we are proceeding in this way.

**Senator Kenny:** Honourable senators, if this seems to be a singularity, it is because not many bills appear to go this way. There seemed to be some possibility that this matter would proceed through the other place. I consulted the Table officers and inquired as to how one handled a bill of this nature. I made a point of asking in particular that I not do it in an unusual or peculiar way.

The procedure that I am following today is precisely the procedure that was outlined to me when I consulted the Table for advice.

Since then, Senator Carney has raised the same concern, and, after meeting with several members of the committee, it is my understanding that she will ask for the adjournment of the debate when I am finished explaining these matters. She will then bring the issue back again tomorrow to continue the debate or to conclude the debate. That was the agreement arrived at with Senator Ghitter and Senator Nolin. It was my understanding that Senator Carney was also a party to that agreement. If I may, I will continue with the explanation.

• (1810)

**Senator Lynch-Staunton:** I want to know whether we are in agreement that we will forego one of the vital steps in the study of legislation, being the committee stage, either a Committee of the Whole or, in this case, the Energy Committee? Are we to simply listen to the explanation, which I am sure will be very convincing, and then tomorrow rapidly pass the legislation?

Why do we want to skip the committee stage? Will we not hear from the minister responsible who influenced what I think is a major change to the original bill? He should explain to us why the government has asked for these amendments, and whether or not they are approved by the sponsor. This is not the bill with the amendments we passed here originally.

**Senator Kenny:** I am sorry, sir. The government has not asked for these amendments. There is no indication, in fact, of the government asking for them. The amendments that you see here, as I was endeavouring to explain, were proposed by me in my remarks to the committee in the other place. There is a transcript available of that meeting. I put forward these proposals to the committee.

As the honourable senator is aware, the procedure there is such that I could not actually move the amendments, although they did invite me to sit at the table throughout their hearing on the bill. The actual amendments were moved by Mr. Reed in the other place after consultation with me, and upon our agreement on the wording. If you are looking for the person responsible for these amendments, he is standing before you. If you want to hear from the minister, that is another matter, but he is not the originator of what you see here.

**Senator Lynch-Staunton:** Be that as it may, whoever the sponsor of the amendments is, the impact on this bill makes it a far different bill than the one we approved in this house.

Why is it being suggested that we pass a bill as amended, with the amendments changing the nature of the bill drastically, without going through the ordinary process of committee stage?

**Senator Kenny:** The honourable senator's argument suggests that the bill has been drastically changed. I maintain that the bill has not been changed; it has been clarified.

**Senator Lynch-Staunton:** This discussion should be held in committee, and not in the full chamber.

**Senator Kenny:** If I can continue; in my view, the bill has not been significantly changed. It has been clarified, and been rendered more workable, perhaps. There is nothing in these amendments to the bill that significantly or fundamentally changes it, in my view.

If I may, with the indulgence of the chamber, I will continue and describe the amendments. Perhaps senators can judge for themselves if my views are correct.

The amendments that you see on the first page, clause 2, have to do with Crown corporations, and provide the government with the ability to remove Crown corporations after consultation with their board of directors, which would be done in a public manner. There has been, throughout the process, some debate about the Crown corporations and it makes sense to make them part of the bill. This provides some flexibility in that regard.

Clauses 3, 4 and 5 I will deal with together because they all have the same effect. They each have inserted in different parts the words "cost effective and operationally feasible."

It was always the intention that the alternative fuels process be cost effective, and that it not cause extra burden on the Crown. It was always the intention of the legislation that we not force things in a way that would not work. "Operationally feasible" in this instance would mean situations like the availability of fuel or the opportunity of operators to get to the fuel.

Finally, the last set of amendments, clause 6(*a*) and (*b*) are virtually identical to what was in the act. Clause 6(*c*) provides for an opportunity to define cost effectiveness and operational feasibility. Clause 6(*d*) is a catch-all to provide managers an opportunity to bring in regulations which were not thought of in drafting the bill.

Clause 6(1) is more of the same. It says that the Treasury Board may make such measures as it considers appropriate to give effect to the purpose or any provision of this act. Once again, that is for the purpose of taking care of the unforeseen that we could not anticipate when we were drafting the legislation.

Honourable senators, I really do believe that the changes included here, which I did propose when I was appearing before the committee in the other place, do not significantly change the intent of the legislation. In fact, I do not believe they change the intent at all. They provide the assurance that those who must act upon the legislation will have the ability to do so in an effective way. I do not see any point in passing legislation here that will stymie people down the road where they cannot put it into effect, or where it will cause unwanted effects such as running up costs unduly, or expecting people to use alternative fuel where there is none available in the local area.

I urge honourable senators to support these amendments.

**Hon. Pat Carney:** Honourable senators, I wish to respond briefly to these amendments. First, I think we all want to pay tribute to Senator Kenny for his accomplishment in bringing forward a very worthwhile piece of legislation, and accomplishing that rare feat of getting the bill through both Houses of Parliament. As he points out, he could not have done that without the cooperation of his colleagues on the Senate committee and without the cooperation of the other place. We think he has made a major contribution that few senators have the ability to do. Only those of us who have been ministers can perhaps appreciate the thrill it is to actually see a piece of legislation that you sponsored pass through the House. Some of us are still waiting to see some of our pet projects actually get Royal Assent. We pay tribute to Senator Kenny in this regard.

As he points out, this is a rare accomplishment. One problem is that we have very little experience in how to deal with this kind of situation. Senator Kenny has assured me, and I accept it without qualification, that he sought the best advice of the Clerk on how to proceed, and that he followed that advice faithfully.

The dilemma that arises is that, as chair of the Energy Committee, I was unaware that this matter was being brought forward, as were other members of the committee. We had a three-and-a-half hour committee meeting this morning, but we were not advised of this matter. We have really not had an opportunity to explore these amendments to a bill which was passed by our committee.

Further, we are troubled by the fact that our Energy and Environment Committee meeting tomorrow has been usurped, if that is the word, by a Liberal caucus meeting. Since we do wish to see this bill achieve Royal Assent, we must deal with the issue of how we can explore the amendments and their impact on the nature of the bill. For that reason, I move the adjournment of the debate.

On motion of Senator Carney, debate adjourned.

The Senate adjourned until Wednesday, June 21, 1995, at 1:30 p.m.

# THE SENATE

**Wednesday, June 21, 1995**

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

[*Translation*]

## SENATORS' STATEMENTS

### CANADA COUNCIL

CLOSURE OF ART BANK—POSSIBILITY OF REVERSING DECISION

**Hon. Eymard G. Corbin:** Honourable senators, three years ago, the twentieth anniversary of the Canada Council's Art Bank was celebrated with great enthusiasm. All things considered, the bank was a great success. After 20 years during which it carried out the mandate it was given by the government in 1972, it was assumed that the bank would continue to play a vital role in promoting Canadian visual artists by purchasing and exhibiting their works.

Despite this sucess the Art Bank has been obliterated. Surprise, indignation and disappointment — these were the sentiments expressed by contributing artists, clients, staff, professionals in the arts and culture community and Canadians who care about true Canadian art and culture.

Why close the Art Bank? Why should this jewel of the Canada Council's crown fall victim to the cost-cutter's axe?

As an institution that operated on sound democratic principles, impervious to petty and shameful political patronage, the Art Bank had constantly refined its jury membership and processes.

The twentieth anniversary catalogue of the Art Bank lists 16,172 works by 2,440 artists purchased between September 1972 and April 1992. These works include 2,026 paintings, 912 sculptures, 6,286 graphic works, 2,932 drawings, 1,995 photographs, 18 films,92 videotapes plus textile art, wall sculptures, installations.

During the same 20-year period, the Art Bank spent more than $14 million on purchasing art. In 1995, the value of the collection is estimated at around $30 million.

The Art Bank, its collection, its contributing artists, its high quality services and its revenue-generating rental program — supported by the government, constituted a national treasure. Many works in the collection have appreciated in value to such an extent that their creators, who are permitted to buy back their work, cannot afford to do so.

Why was a decision made to close the Art Bank? Why not display the courage to reverse that decision? We will continue at the next sitting of the Senate, honourable senators.

### LA BAIE EN JOIE

CONGRATULATIONS TO DANCING TROUPE

**Hon. Gerald J. Comeau:** Honourable senators, this afternoon I would like to pay homage to a group of young Acadian women dancers from La Baie Sainte-Marie, Nova Scotia. The name of the group is La Baie en joie.

Since 1979, under the direction of Anne Marie Comeau, these young women have been the talented ambassadors of Maritime Acadian pride. They all come from the region of Clare in Nova Scotia and have travelled to make Acadia known to Canadians from coast to coast. They have also performed on the international stage in France and Louisiana.

I would also like to point out that they danced as part of the G-7 festivities in Halifax last weekend in a show broadcast by Radio-Canada. These young Acadian women, aged between 13 and 18, are full of talent and charm. Dancing to the lively rhythm of the jig, they use such items as wooden spoons, a fishing net and the Acadian flag to recall their history.

On July 7, a special evening held as part of the festivities of the fortieth anniversary of the Festival acadien de Clare will be organized to draw attention to the tremendous work by Ms Comeau and the vast contribution by these young dancers by highlighting their accomplishments over the past 16 years.

I would like to thank these young Acadians for their contribution to the cultural life and to keeping the Acadian heritage alive in Nova Scotia.

[*English*]

• (1340)

## ETHICS OF GOVERNMENT

**Hon. Marjory LeBreton:** Honourable senators, I wish to draw to your attention the whole question of government and cabinet integrity, and the hypocrisy and double standard we have witnessed for the past 19 months. We have the Prime Minister going around the country bragging that in the 18 months he has been Prime Minister, he has not had to fire a minister. That is easy for the Prime Minister to say.

Honourable senators, who has set these standards? Well, of course, the Prime Minister. He has raised the limbo pole to new heights. He has set the standards. He says everything is "A-Okay", and we are expected to accept that unchallenged. The Liberals repeat the mantra, and the media seem not to care. "Aye-aye, Prime Minister, whatever you say."

He names an ethics commissioner answerable only to himself, and not to Parliament as promised in the Red Book. He reprimands backbenchers for voting on principle, another broken Red Book promise, and tolerates indiscretions in his cabinet.

If the same ethical standards were to apply to this government and the Prime Minister as were followed under the previous government, and if the opposition and the media demonstrated just a quarter of their righteous indignation, this is what the situation would be today: The Minister of Heritage would be out of the cabinet; the Ministers of National Revenue and Public Works would be under a serious storm watch; and the Minister of National Defence would have been shuffled down or out because of sheer incompetence.

Honourable senators, I again ask the question I asked in this chamber when I made a speech a few weeks ago: "Wither integrity, Prime Minister?"

## HMCS WINNIPEG

COMMISSIONING OF NEW FRIGATE

**Hon. Duncan J. Jessiman:** Honourable senators, I wish to bring to your attention that on Friday, June 23, 1995, a new Canadian naval frigate will be launched for commission as the *HMCS Winnipeg*. This will be the second commissioning I have witnessed. The last one was when we commissioned *MTB-462* in South Hampton in February 1944.

# ROUTINE PROCEEDINGS

## ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

MESSAGE FROM COMMONS

**The Hon. the Speaker:** Honourable senators, I have the honour to inform the Senate that a message has been received from the House of Commons, which reads as follows:

Tuesday, June 20, 1995

*ORDERED—*

That a Message be sent to the Senate to acquaint Their Honours that this House agrees to amendment number 4(*a*) made by the Senate to Bill C-69, An Act to provide for the establishment of electoral boundary commissions and the readjustment of electoral boundaries, and this House disagrees with amendments numbers 1, 2, 3, 4(*b*), 4(*c*), 5, 6, and 7 for the following reasons:

The bill was, in accordance with the new procedures of this House, prepared by a Committee of the House. While amendment number 4(*a*) corrects an omission, the other amendments address points, each of which were supported by Members representing at least two of the three parties officially recognized in the House. Taken together, the bill represents a balance aimed at improving the responsiveness of the system of readjusting electoral boundaries both to rapid shifts of population and to the operative realities of effective representation of the people, a balance that, in the opinion of this House, requires:

(*a*) in view of the varied Canadian geography and demography, the retention of a variation of up to 25% from the electoral quota of each province (addressed by amendments number 1 and 6(*a*));

(*b*) the avoidance of unnecessary electoral boundary adjustments in provinces where shifts of population do not require them (addressed in amendments number 2, 3, 5, 6(*b*)(i) and 7);

(*c*) clear acceptance of the non-partisan status of members of commissions through the provision of parliamentary oversight of appointments (addressed by amendments number 4(*b*) and 4(*c*));

(*d*) the retention of the definition of "community of interest" developed on a non-partisan basis by currently serving elected representatives, through a consensus of all parties, in the House of Commons Standing Committee rather than the substitution of another definition (addressed by amendment number 6(*b*)(ii)).

ATTEST

ROBERT MARLEAU
*The Clerk of the House of Commons*

## TRANSPORT AND COMMUNICATIONS

NINTH REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

**Hon. Donald H. Oliver:** Honourable senators, I have the honour to present the ninth report of the Standing Senate Committee on Transport and Communications, which requests that the committee be empowered to incur special expenses pursuant to the Procedural Guidelines for the Financial Operation of the Senate.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

*(For text of report, see today's* Minutes of Proceedings of the Senate.)

**The Hon. the Speaker:** When shall this report be taken into consideration?

On motion of Senator Oliver, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION—PROPOSED ORDERS ON DIRECTIONS ON DIRECT-TO-HOME SATELLITE DISTRIBUTION AND ON PAY-PER-VIEW TELEVISION PROGRAMMING— REPORT OF COMMITTEE

**Hon. Donald H. Oliver,** Chairman of the Standing Senate Committee on Transport and Communications, presented the following report:

Wednesday, June 21, 1995

The Standing Senate Committee on Transport and Communications has the honour to present its

TENTH REPORT

Your Committee, which was authorized, pursuant to section 8(2) of the *Broadcasting Act*, to study the Governor in Council Orders issuing directions to the Canadian Radio-television and Telecommunications Commission with respect to Direct-to-Home Satellite Distribution Undertakings and pay-per-view television programming through Direct-to-Home Satellite Distribution Undertakings, has proceeded with that inquiry, and now presents its final report.

Respectfully submitted,

Donald H. Oliver, Q.C.
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Oliver, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## LIGHTSTATIONS

FINAL REPORT OF AD HOC PARLIAMENTARY COMMITTEE—TABLED

**Hon. Pat Carney:** Honourable senators, I have the honour to table the final report of the Ad Hoc Parliamentary Committee on Lightstations.

## ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

NOTICE OF MOTION TO CONCUR WITH MESSAGE FROM COMMONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I wish to advise the Senate that later this day, I will move:

> That the Senate do not insist on its amendments 1, 2, 3, 4(*b*), 4(*c*), 5, 6 and 7 to Bill C-69, An Act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries to which the House of Commons has disagreed; and
>
> That a Message be sent to the House of Commons to acquaint that House accordingly.

**Hon. Lowell Murray:** Honourable senators, I rise simply to ask for some guidance from the Chair or from honourable senators. A procedural issue arises in accordance with the rather unusual notice of motion — if that is what it is — that has been tabled by my friend the Deputy Leader of the Government. The procedural issue is whether longer notice is required for a motion of that kind. I would like to make some arguments on that matter.

The guidance that I seek from the Chair or from honourable senators is whether you wish to hear me on that matter now or later this day when Senator Graham intends to bring forward his motion.

**The Hon. the Speaker:** What is the wish of honourable senators, to hear Honourable Senator Murray now or later this day?

**An Hon. Senator:** Later this day.

• (1350)

**The Hon. the Speaker:** There could be a problem, however, in having Honourable Senator Graham proceed with the motion if indeed notice is required. When we reach that item, before I call on Senator Graham to proceed, I will call on Honourable Senator Murray to make his point, and then we can decide where to go from there.

**Senator Murray:** I appreciate the admonition of the Chair on this matter. I did not wish to interrupt Routine Proceedings. With the understanding that Your Honour has stated, we can deal with the matter later.

**The Hon. the Speaker:** Is it agreed, honourable senators, that we will hear from the Honourable Senator Murray prior to proceeding with the actual motion?

**Hon. Senators:** Agreed.

## CN COMMERCIALIZATION BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-89, to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act and for the issuance and sale of shares of the Company to the public.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

## AGRICULTURE AND FORESTRY

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO TABLE FINAL REPORT ON FARM SAFETY AND FARM RELATED HEALTH ISSUES

**Hon Dan Hays**: Honourable senators, I give notice that on Thursday, June 22, 1995, I will move:

> That, notwithstanding usual practices, if the Senate is not sitting when the Final Report of the Standing Senate Committee on Agriculture and Forestry is completed on its special study on farm safety and farm related health issues, the Committee shall deposit its Report with the Clerk of the Senate, and said Report shall thereupon be deemed to have been tabled in this Chamber.

# QUESTION PERIOD

## NATIONAL DEFENCE

PEACEKEEPING IN BOSNIA—STATUS OF TROOPS DETAINED IN VISOKO—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, my question concerns some 550 Canadian peacekeepers in Bosnia who are unfortunately being detained at their base. The Bosnian government troops are refusing to allow Canadians to leave their base. The peacekeepers are surrounded by road blocks, anti-tank weapons, and mines. They are unable to deliver or supply food and water to their fellow Canadian peacekeepers in the three outlying UN observation posts. Delivering humanitarian aid, one of their primary roles in the region, has become somewhat unlikely, if indeed possible at all.

Defence Minister Collenette's response to this situation keeps changing as time progresses. He was first counselling that there was nothing to worry about because Canadians were being fed pizza, and then he became very angry and incensed. Yesterday, he advised the press that the government had demanded and expects an immediate response from the Bosnian government about this intolerable situation.

Is the Leader of the Government in the Senate in a position to bring the members of the Senate up to date on whether the defence minister or the government has received a response to the minister's request? If so, what was the nature of that response?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as Senator Forrestall has stated, all UN forces, not just Canadians, located in Bosnian government-held territory are subject to restrictions. Very vigorous diplomatic action has been taken with the Bosnian government, protesting in the strongest possible terms the intolerable situation and the need for immediate relief.

I am advised that some results have been achieved. A liaison officer from the Bosnian government is now in Camp Visoko to make arrangements to restore freedom of movement, including the resupply of our troops.

I do not have any further details than that, but there has been some movement.

**Senator Forrestall:** It sounds as though a little bit of progress has been made. I take it that the government is not actively reconsidering Canada's position, on an hour-to-hour basis, with respect to the Canadian troops. Do I understand that we will be content to let the matter take its course for the balance of this day and perhaps into tomorrow?

**Senator Fairbairn:** To my knowledge, and I spoke to the Minister of National Defence this morning, the Canadian government is holding a constant watching brief and liaison on the development of activity in that area.

As I said, our representations have been very strong and aggressive on the situation. I do not wish to go beyond what I know at this time. I have been advised that some positive results have been achieved, and there is at this point an initiative to restore freedom of movement to the troops and to permit the resupplying of food.

**Senator Forrestall:** Do I take it that there is no discussion within government or cabinet at this point in time about converting the role of Canadians in Bosnia from peacekeepers and deliverers of humanitarian aid to that of peacemakers?

**Senator Fairbairn:** At the moment, the preoccupation of the Canadian government is to restore the movement of its peacekeepers.

A number of discussions took place on a wide range of issues in Halifax during the G-7 summit among the leaders of the various countries involved, and Canada was a very active participant in those discussions.

At this point in time, our preoccupation is to deal with the situation at Camp Visoko, and I have been following that situation for the last 24 hours. I will broaden the inquiries for my honourable friend.

• (1400)

PEACEKEEPING IN BOSNIA—ABILITY OF TROOPS TO WITHDRAW FROM VISOKO IF RECALLED—GOVERNMENT POSITION

**Hon. R. James Balfour:** Honourable senators, I have a supplementary question for the Leader of the Government in the Senate. If the Government of Canada took a decision to withdraw the troops from Bosnia, the same troops we are discussing, would they be free to go? A simple "yes" or "no" would suffice.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I cannot respond to that hypothetical question.

## TRANSPORT

TRANS-CANADA HIGHWAY—PROPOSED TOLL BOOTHS IN NOVA SCOTIA—GOVERNMENT POSITION

**Hon. Gérald J. Comeau:** Honourable senators, my question for the Leader of the Government in the Senate concerns the tolls proposed for the Trans-Canada Highway in Nova Scotia.

The Government of Canada has announced that it will add $49 million to improve New Brunswick's Trans-Canada Highway system. Given that New Brunswick will not need to toll its highways as a result of this new federal money, can the leader confirm whether the same courtesy will be extended to Nova Scotians, and that the mess created by the Minister of Public Works will finally be resolved?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will seek that information for my honourable friend.

## FOREIGN AFFAIRS

G-7 HALIFAX SUMMIT—REQUEST FOR TABLING OF PERTINENT DOCUMENTS

**Hon. Allan J. MacEachen:** Honourable senators, I wish to direct a question to the Leader of the Government on the Halifax G-7 summit.

Would the Leader of the Government undertake to table in the Senate the communiqués that were issued at the conclusion of the summit? Also, could she table a list of the specific proposals that were made to strengthen the Bretton Woods institutions and the United Nations?

While I am on my feet, honourable senators, I wish to compliment the people of Halifax and Nova Scotia for their conduct and for their conspicuous hospitality during the summit proceedings.

The Prime Minister of the United Kingdom, Mr. John Major, speaking in the House of Commons on Monday of this week, said:

> The people of Nova Scotia gave the summit a conspicuously warm welcome. This helped to make it a friendly and productive meeting without the over-elaborate formalities that have characterized some previous summits.

That was worthy praise from the British Prime Minister.

Finally, I wish to ask the Leader of the Government to convey to the Prime Minister of Canada our congratulations for his outstanding leadership at the summit in Halifax.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, to answer the last part of Senator MacEachen's question first, I would be very pleased to convey those congratulations to Prime Minister Chrétien.

Senator MacEachen read the comments from one of the G-7 leaders who attended the summit, namely British Prime Minister Major. Indeed, our Prime Minister chose a very fine place to hold this international meeting. The response of Haligonians and Nova Scotians in general did a great deal to set the atmosphere and the tone of those discussions.

I would be pleased to table, as quickly as possible in this house, the communiqués involved at the conclusion of the summit, as well as the Bretton Woods and UN proposals to which Senator MacEachen has referred.

## HEALTH

### USE OF BOVINE GROWTH HORMONE SOMATOTROPIN— DELAY IN INVESTIGATION OF HUMAN HEALTH RISKS— GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, I want to raise a question which I think is rather urgent in terms of timing. More than 200 organizations in Canada are now opposing approval of the bovine growth hormone Somatotropin. On June 15, the House of Commons called for an extension of the current moratorium on the use of this hormone at least for two years in order to examine more carefully the human health risks.

One of the reasons for this request is that officials at the drug company which manufactures this drug, Monsanto, and officials at Health Canada and Agriculture Canada were supplying MPs with inaccurate information.

Bovine growth hormone will hurt the dairy industry and many animal and human health issues remain unresolved. The European Union has a moratorium on this drug until the year 2,000.

Will the Leader of the Government in the Senate use her good offices to support the House of Commons Health Committee and ask the Prime Minister to extend this moratorium? If the Prime Minister's office does not do this before Parliament adjourns, Canadians could easily have unlabelled BGH milk in the stores before fall.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will be pleased to pass on Senator Spivak's urgent concerns. This is a matter of urgent concern among a great many people here on Parliament Hill and elsewhere in the country.

Health Canada is continuing its evaluation of rBST for safety and effectiveness. Until this evaluation is completed and a decision has been made, this substance cannot be used legally in Canadian dairy herds, but I will take my honourable friend's specific question on the moratorium to the minister.

**Senator Spivak:** Did I hear correctly what the Leader of the Government said, namely that this undertaking cannot go forward until Health Canada has completed its evaluation? The information I have is that unless Parliament deals with this matter — that is, in the Prime Minister's office — the project can, indeed, go ahead.

Since the House of Commons committee has suggested that both the drug company and officials at Health Canada and Agriculture Canada were supplying the members of Parliament with inaccurate information, could we have some information on this aspect of the matter relayed to this house?

**Senator Fairbairn:** Honourable senators, I will try to get that information for my honourable friend. I will transmit all her questions today, not only to the minister but also to the Prime Minister's office.

## NATIONAL DEFENCE

### PEACEKEEPING IN BOSNIA—ABILITY OF TROOPS TO WITHDRAW FROM VISOKO IF RECALLED— GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, my question is supplementary to that of Senator Balfour. The Leader of the Government in the Senate has replied that his question is hypothetical. Honourable senators, this is not a hypothetical situation when the lives of our soldiers are at risk.

Men and women who are serving in the Bosnian campaign are truly at risk, if the reports that we are receiving are reliable, which I have no reason to doubt. The lack of world leadership is incredible. In the years of George Bush and Margaret Thatcher, we would have had a decision on this situation. It is incredible how the UN has failed, and failed miserably, in providing direction for the troops who have been asked to serve in this campaign. It is a campaign more than it is a peacekeeping mission.

We have a situation where the Chief of the Defence Staff had one opinion on a particular incident that had occurred, and the Minister of National Defence had another opinion. The Chief of the Defence Staff was overruled, which I am sure truly destroyed the morale in our armed forces and in the military as a whole.

I think the government has a responsibility to let Canadians know exactly what is the position of our government: Could those serving in Bosnia leave or could they not, if they had to do so at this present time — that is, if they were recalled home?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would repeat to Senator St. Germain what I said to Senator Balfour, that this is a hypothetical question which I cannot answer today. I can say to him, and as everyone in this house will agree, that no contribution has been greater or more profound in this troubled area than that of the Canadian peacekeepers.

The government has not stood aside at any point and watched events transpire in Bosnia without being very aggressively involved in the situation in which our peacekeepers find themselves.

My honourable colleague will know that the countries in Europe involved in peacekeeping in that area have been developing contingency plans for some time. Should events result in the question of withdrawal being raised, there are contingency plans, but at this point in time, as I said to Senator Forrestall, we have a situation in Visoko where it is quite clear that Canadian peacekeepers are restricted in their movements. That is clear. Very aggressive and persistent diplomatic efforts at all levels have been fiercely conducted in recent hours and days to break that situation, to restore movement and to bring in supplies to our troops. That is the preoccupation of the government and the ministry right now. That is what the leaders of various countries were involved in last week. There seems to be some movement today. The efforts will continue as strongly as they possibly can.

• (1410)

**Senator St. Germain:** Honourable senators, I have a supplementary question. We are looking for some reassurance that there is a plan in place to evacuate these troops in the event it becomes necessary. We have mothers, brothers, fathers, sisters, friends all across this country watching their loved ones being taken hostage, being released, being confined in their movements within the country.

Is there a plan in place? I am not asking for the government to publicly describe the plan, but what comfort can we offer the people who are watching their loved ones in the military being subjected to this inhumane, virtually unheard-of treatment?

**Senator Fairbairn:** As I have said to Senator St. Germain on other occasions, contingency plans, through the United Nations and our other allies, have been drawn up. Canada is involved in those plans. However, the most important issue at this moment — and it is the methodology by which our 12 peacekeepers were released — is the concerted aggressive pressure of all our allies. That pressure won the release of those 12 peacekeepers and will, I hope, win the removal of the restrictions upon our troops in Camp Visoko and the relay of supplies to them. Every effort possible is being made at every level to secure that situation.

**Senator St. Germain:** Honourable senators, I have a very short supplementary question.

As Senator Balfour just mentioned, we have secured the release of 12 soldiers, and now they have 300 more. Why are we not taking a decision and showing leadership in either getting out of this thing or solving it?

Honourable senators, Canadians have asked me this question, but I cannot give them an answer because, personally, I cannot see where the leadership stands on this issue. We seem to be flip-flopping at the whims of the parties on the other side of the problem which exists over there, as opposed to showing definitive leadership.

**Senator Fairbairn:** Honourable senators, with respect, I would disagree with the approach Senator St. Germain is taking on this issue. This issue has been debated in the House of Commons. There was a suggestion from Senator Forrestall last week that, as we continue our work in the Senate — and who knows how long that will take — we, too, should take the time to get involved in a discussion on this issue. I am sure that people on both sides of this chamber can arrange that.

The Prime Minister has made clear, as have our allies, that we are still in the former Yugoslavia to help save lives, to help with humanitarian assistance. Discussions are ongoing in the United Nations to strengthen the rapid force requirements in the area. These issues were very much at the core of discussions at the G-7 Summit. This is not a situation where nothing is being done and no preparations are being made.

We believe in this country, as do others, that right now we are still of great value to the civilian population of that area. Our troops must be able to do the job for which they were sent. That is our preoccupation at the moment — to enable our troops to do their work while ongoing discussions continue in the United Nations and among the allies as to the further configuration of the military presence in that area.

[*Translation*]

## CANADIAN HERITAGE

### CATALOGUE OF NATIONAL SPORTS EVENTS— FAILURE TO PUBLISH IN FRENCH—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, my question is for the Leader of the Government in the Senate. In the next few days, over 7 million Canadians will celebrate a day which has been commemorated for over 1,000 years by francophones the world over, Saint-Jean-Baptiste Day.

There will be no shortage of French Canadians celebrating this day. Unfortunately this year, Canada's political realities will overshadow the event.

Madam Minister, your colleague the Minister of Canadian Heritage admitted yesterday that he had once again failed to do his duty in enforcing the Official Languages Act. He admitted that his department almost allowed the Canadian Sport Administration Centre to publish a guide called *Édition estivale du guide du sport canadien* in English only.

The authorities of this para-public organization said something that I consider, at the very least, very insulting for French Canadians — that they did not have enough money to publish the French version this year. When your colleague said yesterday in the House of Commons that this was an important issue and that he would deal with it immediately, what exactly did he mean, Madam Minister?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will certainly pass on Senator Nolin's question.

On the question of the guide that was issued solely in English, every senator in this house knows that that is not acceptable. Guidelines for contributions to national organizations clearly stipulate the responsibility of recipient organizations to make available in both official languages any documents for the general public relating to their activities, programs and projects.

The Canadian Sport and Fitness Administration Centre is bound by these conditions and should have produced this documentation in both official languages. Undoubtedly, my colleague in the House of Commons is looking into this matter. I will put Senator Nolin's specific question to my colleague, but this is not something that is in any way condoned by the government. The guidelines are clear and the guidelines should and will be followed.

[*Translation*]

**Senator Nolin:** Honourable senators, I almost agree the leader. However, the problem can be stated as follows: the minister in question is responsible for both the Official Languages Act and the organization which publishes the guide. The minister gave it the grant and there were others who received similar grants. Are we to be subjected to these kinds of insults all this year, as all of the para-public organizations whose grants have been reduced attempt to publish their documents in English only?

[*English*]

• (1420)

**Senator Fairbairn:** Honourable senators, I can only repeat to my honourable colleague that the policy is clear. The guidelines are clear. It is the policy of this government that they will be respected.

## FISHERIES AND OCEANS

### CUTS IN DEPARTMENTAL BUDGET—DEMISE OF WINNIPEG FRESHWATER SCIENCE TEAMS—GOVERNMENT POSITION

**Hon. Janis Johnson:** Honourable senators, I was troubled today when I read, in a report by the Honourable Charles Caccia, about the budget cuts which will affect the government's commitment to the environment. It points to the fact that the government is not living up to its environmental promises as stated in the Red Book.

Of particular concern to me is a cut-back in the area of freshwater science. The Department of Fisheries and Oceans is facing a three-year, 70-per-cent reduction target for freshwater science. Two freshwater research teams in the Department of Fisheries and Oceans will be affected by these cuts. One of them is the Freshwater Institute, located in my home city of Winnipeg. That institute is slated for a considerable reduction.

The work carried out by the institute in Winnipeg is of crucial importance. In a recent *Winnipeg Free Press* article it is stated:

> The main focus of the Winnipeg team is experimental manipulation of small lakes to study long-term, whole lake responses to human stresses.

Will the Leader of the Government in the Senate find out from the minister just what the plans are for continuing this work in the area of freshwater science in Canada? Where is the commitment by the government in this area?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to do so, both with regard to the question of freshwater science and its specific application to the Freshwater Institute in Winnipeg.

### MEMORANDUM OF UNDERSTANDING TO TRANSFER FRESHWATER SCIENCE TEAMS TO DEPARTMENT OF ENVIRONMENT—GOVERNMENT POSITION

**Hon. Janis Johnson:** Honourable senators, the article to which I referred also states that the Minister of Fisheries and Oceans and the Minister of the Environment signed a memorandum of understanding to facilitate the transfer of the two biological teams affected by the cuts to the Department of the Environment. However, no action has been taken.

When the Leader of the Government is seeking out information regarding my last question, would she also determine whether or not this transfer is still being considered? If this MOU was signed by the ministers, why has nothing happened to date? I would appreciate some information on this subject, which is critical to my province.

**Hon. Joyce Fairbairn (Leader of the Government):** I will do that, honourable senators.

## ENVIRONMENT

CHANGES TO WEATHER REPORTING SERVICE ADVERSELY AFFECTING RURAL AND ISOLATED AREAS— GOVERNMENT POSITION

**Hon. A. Raynell Andreychuk:** Honourable senators, as is the case in other parts of the country, Ottawa has been experiencing a heatwave in the last week or so.

It has been brought to my attention that Environment Canada has changed its weather reporting services to the Canadian public. There is now a 1-800 number which Canadians can call to obtain superficial weather forecasts. I say "superficial" because we all know that the forecasts can change from moment to moment. If further information is wished, one has to dial a 1-900 number, to which a cost is attached.

Weather forecasting services are essential for people living in isolated rural areas. In rural areas people travel long distances to go to schools, to pick up vital supplies and to go to their jobs. This measure means that Canadians will be precluded from free access to this weather forecasting service. They will be required to pay a fee to ensure their own security and survival in rural and isolated areas.

Can the Leader of the Government tell me why the government has taken what I believe to be a thoughtless approach to the safety of citizens? What kind of monitoring and analysis is being put forward? I remind honourable senators that, soon, it will be minus 30 and not plus 30.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, Senator Andreychuk has asked some detailed questions. I would be pleased to check with my colleagues to obtain a complete and proper answer.

## ANSWER TO ORDER PAPER QUESTION TABLED

CANADA ASSISTANCE PLAN AND ESTABLISHED PROGRAMS FINANCING—LEVELS OF ENTITLEMENT AND FURTHER DETAILS

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 80 on the Order Paper — by Senator Tkachuk.

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# ROUTINE PROCEEDINGS

Leave having been given to revert to Notices of Inquiries:

## LIGHTSTATIONS

REPORT OF THE AD HOC PARLIAMENTARY COMMITTEE— NOTICE OF INQUIRY

**Hon. Pat Carney:** Honourable senators, I give notice that tomorrow, Thursday, June 22, 1995, I will call the attention of the Senate to the report of the Ad Hoc Parliamentary Committee on Lightstations.

## THE ENVIRONMENT AND CONSERVATION

NOTICE OF INQUIRY

**Hon. Janis Johnson:** Honourable senators, I give notice that on Tuesday next, June 27, I will call the attention of the Senate to the environment as it relates to environmental conservation.

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[*Translation*]

# ORDERS OF THE DAY

## PRIVILEGES, STANDING RULES AND ORDERS

POINT OF ORDER BY SENATOR CORBIN—SPEAKER'S RULING

**The Hon. the Speaker:** Honourable senators, on June 13, 1995, the Honourable Senator Corbin rose on a point of order concerning a motion passed by the Senate on May 25, authorizing the Standing Committee on Privileges, Standing Rules and Orders to act jointly with the House of Commons Standing Committee on Procedure and House Affairs with regard to its examination of the rules and practices governing the operation of joint committees. Senator Corbin was wondering if this was the proper procedure to set up joint committees with the other place.

[*English*]

On June 15, the Chair of the Privileges, Standing Rules and Orders Committee, the Honourable Senator Robertson, expanded upon the background of this issue, explaining that the arrangement with the corresponding committee in the other place was to be informal. As Senator Robertson said in her letter to Mr. Milliken from which she quoted:

> ...that, as opposed to a formal joint study by our two committees, perhaps this study could best be handled by creating an informal working group of Senators and Members of the House of Commons representing both Committees which could review these matters and report back.

Senator Robertson stated that she agreed with Senator Corbin, that if the study was to be a formal one, the normal procedure should be followed, namely, that there should be a motion of the Senate authorizing such a study and ordering that a message be sent to the House of Commons requesting that they join with the Senate in that particular study.

[*Translation*]

Honourable senators, it seems to the Chair that this issue has been settled. Since, for the moment, the rules and operation of joint committees are to be examined by an informal parliamentary task force with no official status, I cannot see what I could do. Given that no rule or practice of the Senate was breached, I cannot follow up on this point of order. I wish to thank the honourable senators, both Senator Corbin and Senator Robertson, however, for bringing this issue to the attention of the Senate.

[*English*]

## ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

MOTION TO CONCUR WITH MESSAGE FROM COMMONS— VOTE DEFERRED ON MOTION TO ADJOURN DEBATE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I would ask that Motion No. 28 be now called.

**The Hon. the Speaker:** Honourable senators, if we to proceed to Motion No. 28, which is how we began this afternoon's sitting, it has been agreed that the Honourable Senator Murray will speak first.

**Hon. Lowell Murray:** Honourable senators, the procedural issue which is raised here is whether a motion such as that outlined and presented by the Deputy Leader of the Government requires rather longer notice than the — I was going to say the "ersatz" — notice he gave earlier this day. It is rather unusual that he would give notice of a motion for "later this day".

I intend to divide my representations to the Chair into two parts. In the first part, I will present some precedents from the previous Parliament and the present Parliament for the situation with which we are now faced. In the second part, I will focus briefly on the rules which I think apply to this situation.

• (1430)

First, with regard to precedents: On September 2, 1987, in the previous Parliament, a message was received from the House of Commons disagreeing with certain amendments which the Senate had made to Bill C-22, an act to amend the Patent Act.

In answer to the question from the Chair, "When shall this message be taken into consideration?" I moved that it be done "now". At that point, Senator MacEachen and I engaged in a brief, not very vigorous and not very conclusive argument as to whether notice was required.

Senator MacEachen made the point that he thought such a motion as I was contemplating was a substantive motion which required 24 hours' notice. I was able to resurrect one precedent from the year previous in which we had moved immediately to deal with such a motion. Senator Frith said, however, that his recollection was that the government had asked for, and received, leave before proceeding.

In any case, there was no ruling from the Chair. Speaker Charbonneau said that he had not been asked for a ruling, and would not give one, but he did put the motion which, I suppose, implicitly suggests that the motion to proceed at once was not out of order.

An identical situation arose on November 17, 1987, when we received a message from the House of Commons disagreeing with certain amendments we had made to Bill C-22, an act to amend the Patent Act. In answer to the question from the Chair, "When shall this message be taken into consideration?" I said "Now" and then presented a motion along the lines of that which Senator Graham is presenting today. Indeed, we proceeded to deal with the motion at once. *Hansard* does not report that I asked for or received leave. The indication is that no objection was raised to proceeding at once.

I recognize that I am presenting precedents against my case, but I might as well put them on the record.

Further, on May 18, 1988, a message was received from the House of Commons relating to Bill C-60, an act to amend the Copyright Act, et cetera. In answer to the question, "When shall this message be taken into consideration?" some honourable senators said, "Now". There was then a motion presented by Senator Doyle, which was debated for a very few minutes, followed by an adjournment of the debate proposed by Senator Sinclair.

On July 13, 1988, we received a message from the House of Commons relating to Bill C-84, an act to amend the Immigration Act, 1976, et cetera. In answer to the question, "When shall this message be taken into consideration?" Senator Nurgitz moved a motion, but asked to have it stand in his name until the next sitting of the Senate.

Similarly, on May 16, 1989, in response to a message from the House of Commons disagreeing with certain amendments we had made to Bill C-14, Senator Doody moved that the Senate not insist on its amendments. Senator Stewart did not object to this, but rather, proceeded to debate it.

Those precedents, honourable senators, indicate that there was no objection to proceeding immediately, in identical circumstances, to the kind of motion which Senator Graham has presented today.

On the other side of the argument, on February 4, 1988, a message was received from the House of Commons relating to Bill C-84, an act to amend the Immigration Act and the Criminal Code in consequence thereof, et cetera. Senator Doody then moved that the message be taken into consideration at the next sitting of the Senate.

On July 19, 1988, a message from the House of Commons was received concerning Bill C-103, an act to increase opportunity for economic development in Atlantic Canada, et cetera. In answer to the question from the Chair, "When shall this message be taken into consideration?" Senator Doody replied, "With leave, now", indicating that leave was necessary in order to proceed at once with such a motion.

In this Parliament, we have two precedents. The first is of June 9, 1994, when a message was received from the House of Commons disagreeing with one of our amendments to Bill C-18, an act to suspend the operation of the Electoral Boundaries Readjustment Act. Immediately, Senator Fairbairn, the Leader of the Government, gave notice that on Tuesday next she would move that the Senate concur in the amendment made by the House of Commons.

The second precedent is from October 4, 1994. On that day, we received a message from the House of Commons concerning Bill C-22, the Pearson International Airport agreements bill. Whereupon, on the same day, Senator Fairbairn gave notice that tomorrow, Wednesday, October 5, 1994, she would move that the Senate not insist on its amendments, indicating that 24 hours' notice was required for such a motion.

Honourable senators and Your Honour, I readily acknowledge that the precedents are mixed on the question of how much notice is required for such a motion. Therefore, I hope and expect that Your Honour will derive more comfort, if that is the appropriate word, from a close examination of the rules which I think apply in this situation.

The rules which apply to notice for motions are rules 57, 58 and 59. Rule 57 lists the motions for which two days' notice is required. There is no reference to a motion to insist or not to insist on amendments which have been rejected by the House of Commons.

Rule 58 lists the motions for which one day's notice is required. There again, there is no reference to a situation in which the Senate is insisting or not insisting on amendments which had been rejected by the House of Commons.

Rule 59 lists the motions for which notice is not required. There again, there is no explicit reference to the situation in which we now find ourselves.

There are listed, under rule 59, motions for which no notice is required. Rule 59(8) reads:

> Consideration forthwith or at a future sitting of Commons amendments to a public bill.

With regard to that matter, I do not believe that covers the situation which we are in this afternoon. I think it is clear that the "public bill" referred to in rule 59(8) is a Senate public bill.

• (1440)

That would cover exactly the situation we were in yesterday afternoon when Senator Kenny's Bill S-7 was returned from the House of Commons with certain amendments, and we moved immediately to deal with a motion on the matter.

Where do we seek guidance on this matter? I suggest that the most persuasive argument is to be found under rule 58(1) which states:

> One day's notice shall be given of any of the following motions:

I draw the attention of honourable senators to 58(1)(*i*), which states:

> for the making of a substantive motion;

—which I think this is. Indeed, I can do no better than to quote the statement of the Honourable Senator MacEachen in 1987 when he stated, "This is more than an amendment to a bill. This is a message from the House of Commons which is manifestly substantive because it is asking the Senate to take a significant step."

Our situation is covered by rule 58(1)(*i*), "for the making of a substantive motion". If it is not, I suggest, then, that rule 58(1)(*j*) applies. Rule 58(1)(*j*) requires one day's notice of a motion:

> for any purpose to which neither rule 57 nor rule 59 applies.

There you have it, honourable senators. The precedents are mixed. There may be others which honourable senators have been able to find. The rules that cover the situation are clear enough to warrant a ruling that one day's notice is actually required to proceed with a motion of this type.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** As all honourable senators know, I am not yet in the "expert" category with respect to the rules and proceedings of this chamber. However, I would like to make a few observations.

The first observation is that from the number of rules, sections and subsections covered by Senator Murray, we are not clearly covered in a situation of this type under the new rules that were introduced by the other side when they were in government. The rules of this place are silent with specific reference to this particular case.

I took careful note of the nine precedents that were cited by Senator Murray. If I heard him correctly, on only one occasion did Senator Doody ask for leave when he was the Deputy Leader of the Government. That was on July 9, 1988, dealing with Bill C-103 respecting ACOA.

However, on other occasions, leave was either not sought or demanded. I presume that those who asked that the bill or the report be taken into consideration at the next sitting wanted to do so because they were either not ready or because there was plenty of time to do so.

I want to make specific reference to one of the precedents cited by Senator Murray. That is the one of May 16, 1989, Appropriation Bill No. 1. The Senate received from the House of Commons a message disagreeing with an amendment made by the Senate to Bill C-14, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990. The message was read by the Speaker, who then asked, "Honourable senators, when shall this message be taken into consideration?"

Senator Doody, the Deputy Leader of the Government, rose and stated, without leave and forthwith:

> Honourable senators, I move:
>
> That the Senate do not insist on its amendment to the Bill C-14, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending 31st March, 1990, to which the House of Commons has disagreed.

Following which, Senator Stewart began the ensuing debate which covered some 20 pages in the *Hansard* of that day.

I remember the debate very well. I was in the chamber and I can remember crystal clear that I was sitting on that side and Senator Murray was sitting next to Senator Doody and later participated in the debate.

The critical point is that Senator Doody moved his motion without seeking leave. As I mentioned, he moved his motion without seeking unanimous consent and, in all probability, Senator Murray was sitting squarely behind him, in front of him and beside him. I say that because the record shows that Senator Murray participated in the debate which ensued.

Honourable senators, we have a clear precedent established by the former government and the leadership in the Senate at that time, Senators Murray and Doody. It is a precedent that provides that no notice is required to deal with a message from the House of Commons expressing disagreement with amendments made by the Senate to a piece of government legislation. It is a precedent for the situation in which we now find ourselves with respect to Bill C-69. This precedent is a clear and unequivocal indication of Senate practice.

Honourable senators, we have this clear precedent: no notice is required to deal with a message from the House of Commons expressing disagreement with amendments made by the Senate to a government bill.

I would also like to point out that if this procedure was entirely satisfactory and acceptable and employed by members opposite when they formed a government, surely they do not wish to reverse themselves by arguing that the procedure is proper only when advanced by a Progressive Conservative administration. It was good enough for Senator Murray and Senator Doody and his colleagues in 1989, surely it is good enough for them today.

**Hon. John B. Stewart:** Honourable senators, I wish to add a few words to the debate on this interesting procedural question.

Parliamentarians make a distinction between a substantive motion and an ancillary motion. A substantive motion is one which, if adopted, will stand on its own; it is independent. A motion in amendment is not a substantive motion; it could not stand without the body of the motion which it proposes to change. I believe that that deals with Senator Murray's contention that we ought to have a look at rule 58(1)(*i*), which would require one day's notice for the making of a substantive motion.

• (1450)

Then there are ancillary motions. Ancillary motions refer to the motions put in the process as a bill moves forward through either the House of Commons or a comparable legislative body.

For practical purposes, the second reading motion is assumed to be the beginning. That is when you really get down to it. Once the second reading motion has taken place, all the other motions are ancillary motions. They are part of the follow–up process.

That distinction is helpful to us in understanding our rules. The motion that Senator Graham tells us he will move is an ancillary motion. It comes under rule 59(8), which states:

> Consideration forthwith or at a future sitting of Commons amendments to a public bill.

That, I submit, is not a substantive motion. It does not stand on its own. It is not independent. It is part of the legislative process.

Senator Murray has been most helpful in adducing the various precedents he has brought forward. They show that our practice has been very mixed. I suppose the explanation is that, for a long time, the Senate did not send amendments over to the House of Commons. When the Senate came alive and started sending amendments, we were not fussy as to precisely how we dealt with the messages that came back from the House of Commons.

At a certain point, honourable senators, something happened. Some members of the Senate decided that we had to clean up our procedure. Consequently, not so long ago, a new set of rules were brought forward. The effect of those rules is to make many of the practices to which we adhered history and not very helpful to us as guidance today.

I do not know if there are cases where the Senate has not followed the interpretation of the new rules in the way I am suggesting they ought to be followed. If there are such cases, I suppose it is a hangover from the bad old days before we got the rules.

By way of conclusion, I would argue that what we will have if Senator Graham goes ahead and moves his motion, which he says he intends to move, is an ancillary motion. It is part of the legislative process. It is not a substantive motion. Rule 59(8) applies, as Senator Graham's motion requires no notice.

**Hon. John Lynch-Staunton (Leader of the Opposition):** In your ruling, Your Honour, I know that you will differentiate between precedents which have been quoted under the old rules and precedents which have been quoted under the new rules. There is a substantial difference in what we are working under now and what we tried to work under in the old rules. The old rules were casual and eventually became unworkable, but our new rules are more comparable to those of the other chamber. The question is whether rule 58(1)(*i*) applies here because we have before us a substantive motion, one which stands on its own. In our estimation, rule 58(1)(*i*) should apply. It is a question of whether rule 58(1)(*i*) existed in the old rules.

SPEAKER'S RULING

**The Hon. the Speaker:** Do other honourable senators wish to participate in this debate before I proceed to rule? If not, I am prepared to rule at this time.

Honourable senators, I have listened carefully to the presentations. I thank all honourable senators who joined in the discussion.

As Senator Murray has clearly pointed out, our rules are silent on the specific point of how to deal with messages from the House of Commons. Senator Murray pointed out a number of precedents, and there are precedents for and against. It would not be wise to conduct our practices based on the numbers on either side. I propose, therefore, to take a logical look at the rules and their purpose.

Before I do that, however, I wish to deal with the question of substantive motions. I refer honourable senators to rule 4(7)(*e*) of the *Rules of the Senate*. It states:

> "Substantive motion" means an independent motion, neither incidental to nor relating to a proceeding or order of the day already before the Senate;

The Senate has before it a proceeding or an order of the day in the form of a message from the House of Commons. The message is before us. Hence, the motion now is not a substantive motion.

Honourable senators will understand that "substantive" does not mean "important" here. Obviously the subject is important, but the meaning of "substantive" in this instance is "standing by itself". The motion we may hear from Senator Graham hangs on the message; hence, it is part of the proceeding.

Therefore, I rule that rule 58(1)(*i*) does not apply.

What is the purpose of giving notice? The purpose of giving notice is to enable honourable senators to know what is coming so that they can have an opportunity to prepare. Why else would there be notice? They must have an opportunity to get themselves ready for the discussion. It is not meant to delay the work of the Senate. It is simply meant to bring order.

Honourable senators, I refer you to rule 59(8). It states:

> Notice is not required for:
>
> (8) Consideration forthwith or at a future sitting of Commons amendments to a public bill;

In other words, no notice is required to deal immediately with amendments to a public bill from the House of Commons. No notice is required at all.

What are we dealing with here? We are dealing with amendments the Senate passed some weeks ago. They are not new amendments. The subject–matter is well known to the Senate. We are prepared, under our rules, to deal immediately with new amendments coming from the House of Commons. Therefore, it does not appear logical that we should insist on notice to deal with amendments which are from this house in the first place.

Honourable senators, I rule the motion in order.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I move:

That the Senate do not insist on its amendments 1, 2, 3, 4(*b*), 4(*c*), 5, 6 and 7 to Bill C-69, An Act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries, to which the House of Commons has disagreed; and

That a Message be sent to the House of Commons to acquaint that House accordingly.

• (1500)

**Hon. Sharon Carstairs:** Honourable senators, I rise today to urge you to accept the message that has been sent to us by the House of Commons and to support Bill C-69 in its present form.

Following the passage of Bill C-18, the government fulfilled its obligations to bring forward substantial improvements to the Electoral Boundaries Readjustment Act. These improvements were devised in a unique way by the Standing Committee on Procedure and House Affairs, in most cases with all-party consensus. The end result is a bill which would give Canadians a more open, more transparent and more effective process of readjusting electoral boundaries.

We have already debated the contents of Bill C-69, both here in this chamber and in committee, and I will not go over that ground again. Rather, I should like to explain to honourable senators why they should accept the message from the House of Commons with respect to the Senate's proposed amendments to Bill C-69.

It is no great shock to us that these amendments are being returned to us. When we proposed these particular amendments at the committee stage, we were informed that the government looked favourably upon amendment number 4(*a*) but did not look favourably on the others. As was our right, we sent the amendments to the House of Commons anyway, asking them to give the matter some sober second thought.

Indeed, honourable members, they did acknowledge their oversight in not ensuring that the legislation contained a clause stating that all members of boundary commissions must be resident in the province for which the commission was established. They have accepted that amendment. I believe that even if the bill had not been amended in this way, the Speaker of the House of Commons would never appoint someone to a boundary commission of a province if that person did not live in that province. However, it is always wise to dot the "i's" and cross the "t's", and that is what is happening in their acceptance of this particular amendment.

However, the House of Commons has indicated that it cannot accept the other amendments that this chamber has proposed because they believe that those amendments would repeal the most innovative sections which have been carefully drafted, each of which were supported by at least two of the parties represented at the Standing Committee on Procedure and House Affairs. These amendments would thus upset the balance which had been carefully struck by the standing committee in approving the system for the readjustment of electoral boundaries. Accordingly, the House disagrees with amendments 1 and 6(*a*), which would reduce the maximum deviation from the electoral quota for a province from 25 per cent to 15 per cent.

The Standing Committee on Procedure and House Affairs spent considerable time on this issue. On balance, it concluded that the extremes in the geography and demography of our country more than justify the variance at 25 per cent. The members of that committee believed that that figure reflected the legitimate concerns with the need for flexibility in drawing boundaries in order to respond to the needs of the people whom they will represent, particularly with respect to rural ridings, Northern ridings, and remote ridings.

It should be noted that a similar provision withstood the scrutiny of the Supreme Court of Canada in the *Carter* case, and is now contained in the legislation of at least two provinces, Saskatchewan and Manitoba, and perhaps others.

The House of Commons also disagrees with amendments 2, 3, 5, 6(*b*)(i), and 7, which would repeal the provisions that would avoid unnecessary electoral boundary adjustments in provinces where shifts in population do not require them.

The Standing Committee on Procedure and House Affairs was concerned with unnecessary changes being made to ridings in provinces where there has been little or no change in population — in other words, a boundary review just for the sake of a boundary review, and without a real purpose. The standing committee was aware of the frustration on the part of citizens and municipalities who quite frankly find the readjustment of ridings and provinces with only minor shifts of population an unwarranted act.

The standing committee devised a safeguard allowing for the establishment of a commission at the discretion of the Chief Electoral Officer and the Speaker of the House of Commons in a province where the population in some ridings falls just short of the 25 per cent threshold which would trigger such a boundary review. They felt that that was adequate protection for those particular provinces, and I agree.

Should the Senate insist on making these amendments, redistributions would automatically take place in every province. This would negate the anticipated savings of $1.1 million which would result from not holding redistributions in Saskatchewan, Manitoba, and P.E.I. under Bill C-69.

Amendment 6(*b*)(i) would eliminate the provision that a commission will only recommend changes to existing ridings where the factors set out in clause 19(2)(*b*) warrant them.

The Standing Committee on Procedure and House Affairs was concerned with unnecessary changes being made to existing ridings. They noted that boundary commissions are not infallible. The standing committee was given examples of strange changes being made to ridings without any basis in demography, geography, or community interest, and I think we can all point to constituencies that had boundary changes that reflected no real change.

Clause 19(2)(*c*) simply seeks to ensure that ridings are changed in conformity with the criteria set out at clause 19 which, in turn, reflect Justice McLachlin's comments in the *Carter* case.

The House of Commons also did not accept amendments 4(*b*) and 4(*c*) which would eliminate the provision of parliamentary oversight for appointments to electoral boundaries commissions. The Standing Committee on Procedure and House Affairs had legitimate concerns with the possibility of partisan appointments to commissions, or at least the appearance of partisanship in the absence of any checks and balances. They believe that their provision provides for a safeguard which fits in the overall scheme of an open and transparent process for appointments as set out in the bill.

Finally, the House disagreed with amendment 6(*b*)(ii) which would redefine "community of interest" by incorporating the definition recommended by the Royal Commission on Electoral Reform and Party Financing. This amendment was recommended by the former director of research for the Royal Commission on Electoral Reform and Party Financing.

The Standing Committee on Procedure and House Affairs carefully developed its definition of "community of interest" on a non-partisan basis and with all-party consensus. In so doing, it culled material from several sources, including the Royal Commission's recommendation.

Honourable senators, Bill C-69 is an important achievement under the new rules which authorize committees to draft legislation. We are already acquainted with the improvements which Bill C-69 would bring about if adopted in accordance with the message from the House of Commons. Many of the provisions which would be affected if the Senate insists on making the proposed amendments were devised and agreed upon by all parties represented on the standing committee, and based on their research and the views of their witnesses.

I ask, therefore, that you carefully weigh whether, in your opinion, you should insist on making these amendments against the considered recommendation of the House of Commons. Adopting Bill C-69 would ensure, I believe, that a more open, more effective, and indeed a more efficient process for readjusting electoral boundaries is in place in time for the next general election in this country.

• (1510)

**Hon. Richard J. Stanbury:** Honourable senators, I have a few words to demonstrate to you the importance of this bill moving forward at this time. I thought it wise to speak now in case it was the intention of anyone on the other side, or on this side, to adjourn the debate. Our time is very limited and both sides have understood those time limitations all along.

As we consider the message that we have received from the House of Commons on the Senate's amendments to Bill C-69, we should appreciate exactly why we are being asked to deal with this matter on such short notice. Part of the answer lies in what occurred in the House of Commons, but an even bigger part lies in what happened in this chamber last month.

The House of Commons passed Bill C-69 on Tuesday, April 25. The Senate was adjourned that week, so we did not receive the legislation till Tuesday, May 2. Pursuant to an understanding reached earlier by all parties, the Senate gave first and second reading to the bill and then referred it to our Standing Senate Committee on Legal and Constitutional Affairs that same day, namely May 2, 1995.

Everyone understood that time was a precious commodity as far as this legislation was concerned. In her speech on May 2, Senator Carstairs described how, under Bill C-18, the previous bill, the suspension of the current electoral boundaries commissions would end on June 22. In his remarks, Senator Murray acknowledged that "there are time pressures associated with the bill".

Notwithstanding these "time pressures", it cannot be said that the committee consideration of the bill moved forward with any sense of urgency or speed. It was nine days before the committee held its first meeting on, Thursday, May 11, when it heard from Mr. Peter Milliken, Parliamentary Secretary to the Leader of the Government in the House of Commons.

The committee waited a full week before it met again to hear from Mr. Kingsley, the Chief Electoral Officer, on Thursday, May 18. A full 11 days elapsed before the committee again convened on Bill C-69.

On Monday, May 29, it heard from Professors John Courtney, Ronald Fritz and Peter Aucoin. At the end of that meeting, Senator Murray announced that he was considering moving some amendments to the legislation, but that he needed time both to draft them and to consult with his caucus colleagues. He suggested that the committee be reconvened in one week, namely, Monday, June 5, but that he would try to accommodate an earlier schedule with a meeting as early as Thursday, June 1, if all went well. In any event, Monday was the date he was most seriously considering.

Senator Murray assured all the members of the committee that it was not his desire to hold up the bill and that "there are time constraints with regard to this legislation which I think we all understand". He also stated that:

> If there are amendments, you will still be in a position, I believe, to report the bill on Monday night when the Senate meets.

We all know that none of that took place.

The committee was informed, through its clerk, that Mr. Peter Milliken was available to appear before it on Thursday, if Senator Murray wished to move ahead with his amendments on that day. That offer was not taken up, but copies of the amendments were circulated late that week by Senator Murray.

The committee met on Monday, June 5, with Mr. Milliken before it as the only witness. He went through the proposed amendments and explained why they were not viewed favourably by the government. However, instead of moving the amendments at the end of the meeting, as we had been expecting and certainly led to believe, Senator Murray added a new wrinkle to the story. He offered to move the amendments only if the government members on the committee, as well as Senator Prud'homme, gave assurances that the amended bill would be waived through the Senate. Senator Murray said:

> I would be willing to move the amendments, but there would be no point in it unless the government were willing, and Senator Prud'homme was willing, to give leave to waive the usual notices, let the amendments go through and then they would be in the hands of the House of Commons to decide as of tonight or tomorrow. But I do not think you are prepared to adopt that position at the moment.

I ask all honourable colleagues to contrast this statement with what Senator Murray told the committee one week earlier, on May 29. He said:

> If there are amendments, you will still be in a position, I believe, to report the bill on Monday night when the Senate meets.

Monday, June 5 came and amendments were proposed, but Senator Murray refused to move them. The committee did not report the bill, and the Senate, when it met later that day, had no report to consider. Senator Murray had suddenly added a condition to his proposal, a condition that he had declined to mention while providing his comforting words of assurance to the committee members on May 29 when he said:

> If we do have amendments, I would want the government to have maximum time to consider them and decide what to do about them before the clock runs out.

That provision of "maximum time" was now conditional on a proposal that he did not put forward until the dying moments of the committee meeting. In fact, it was a proposal he made only after suggesting, at the conclusion of Mr. Milliken's testimony, that the committee adjourn. The proposal was never advanced by Senator Murray to any Liberal senators, including the leadership, at any time before those final moments of that meeting.

The committee adjourned and met again on Thursday, June 8. By then, timing had become a truly critical issue. The government agreed to waive notices and allow an amended bill to be passed by the Senate, on division, if the committee reported on that day. That was done. With the leave of all senators from both parties, and Senator Prud'homme, a message was sent to the House of Commons on Thursday, June 8, informing that chamber that Bill C-69, as amended, had been passed by the Senate.

Those three days between Monday, June 5 and Thursday, June 8 loom very large as we deal with the matter before us. Those three days represent the difference between what Senator Murray said he would do on May 29 and what he actually did on June 5. They represent the difference between giving the government adequate opportunity to deal with the amendments and forcing it to the wire.

In the House of Commons, the government moved expeditiously. On Tuesday, June 13, they gave notice of a motion responding to the Senate's message on Bill C-69. On Wednesday, June 14, that motion was moved and debate began. An amendment to the motion was proposed by a member of the Reform Party and debate was adjourned as the sitting concluded.

On the following day, Thursday, June 15, after debate resumed, another Reform Party member moved a subamendment. When that was put to a vote, a recorded division was requested, and then a deferral of that division was asked for by the whip of the official opposition. The Speaker ordered the division be deferred until 11:30 p.m. on Monday, June 19. This meant no debate could take place on the motion for the rest of Thursday and during the next two sitting days — Friday and Monday. Almost three full days of House time that could have been used to deal with the motion on Bill C-69 were lost because of the deferral of this vote.

On Monday night, the vote on the subamendment was held; and on Tuesday, June 20, the House of Commons devoted the entire day to dealing with the motion responding to our message. That motion was adopted on Tuesday evening at 11:30.

There can be no doubt that the House of Commons has dealt as expeditiously as it could with our message on Bill C-69. It received our message on June 8 and sent a message in response 12 days later. This is only two days more than the time between Senator Murray said he wished to move amendments, and the day he actually did so.

We now have the message from the House of Commons before us. That message contains the response of both the government and the House of Commons to the amendments adopted by the Senate at Senator Murray's urging. The only question remaining is whether the Senate will deal with that response on a substantive level, or whether it will insist upon strict procedure.

If this bill is to become legislation before the end of the suspension to June 22 provided by Bill C-18, it must have Royal Assent this evening.

All parties know the nature of the bill, the time constraints, and the fact that the government is opposed to all but one of the amendments, which was accepted. All senators now have the opportunity to decide the fate of the bill on its substance or on the simple failure of the Senate to give consent to its disposition.

• (1520)

**Hon. Lowell Murray:** Honourable senators, I am completely mystified by the involved and convoluted account that my honourable friend has just placed on the record concerning the legislative history of this bill. What on earth is he trying to prove? There should have been no misunderstanding and, until this very moment, I had no reason to believe there was even the slightest misunderstanding about what I and my colleagues on this side were trying to do.

I was trying to follow a practice we followed on a number of occasions when the Conservative government was in a minority position and while I was its leader in this place. On a number of occasions, amendments to a government bill were brought forward by a committee. Rather than debate such amendments at length, rather than take up time with votes or deferred votes, as Leader of the Government, I indicated that, while we on the government side disagreed with the amendments proposed by the majority in this place, we would expedite their passage to the House of Commons so that the majority in the House of Commons would have the maximum time to consider and deal with the amendments.

The problem with this bill arose, frankly, when the Senate did not sit during one fairly crucial week.

Be that as it may, I suggested that we follow the same procedure which I have just outlined. I believe it was on a Friday that I informally advised senators that we had some amendments in mind, and I undertook to provide copies of those amendments in advance to honourable senators opposite as soon as they were drafted. The drafting was completed later that morning and I saw to it that my friends opposite had copies of the amendments, even before they were shown to my colleagues on this side as a whole.

When I say the amendments were delivered into the hands of my honourable friends on the government side, I am not referring to Senator Stanbury who, as I recall, was not a party to any of these discussions.

The Senate met on the following Monday. I was prepared to move the amendments, pass them through the committee, and bring them into the evening sitting when Senator Beaudoin would be given leave to present his report. The report could then be debated and the amendments sent off to the House of Commons for their consideration.

It was indicated to me, through the usual channels, that my friends opposite were not interested in such a proposal, for whatever reason. I did not pursue it.

In any event, Mr. Milliken came at the first opportunity. He was well prepared for my amendments because they were already in the hands of the government. He answered our questions and I then formally proposed the amendments. Later that day the amendments were sent, with leave, to the House of Commons.

What happened next is that four days were lost. My friends opposite agreed on the Thursday to the same proposal I had made to them for the Monday. That decision was in their hands.

I would need to read all of Senator Stanbury's comments to answer them in detail, but that is the essence of what we were trying to accomplish. The Senate lost four days by not being in a position to deal with the matter.

Honourable senators, on two occasions in this chamber and for some time in the committee, you have listened to me on the subject of this bill with considerable patience. I will not impose on your patience for long. Let me only say that this is a terrible bill. The only rationale for this bill is that a handful of rookie backbenchers in the House of Commons on the Liberal side did not like the maps that were drawn up by an independent arm's-length commission following the 1991 census. They have therefore moved to have those maps torn up; to have new commissions appointed for the same census of 1991; and to spend $6 million or more to draw up new maps on top of the $5.8 million, I am advised by Senator Lynch-Staunton, which has already been spent on the work that the present commissions have completed. That is the only justification. Thus does the government, thus does the House of Commons, seek to manipulate a process which has served this country well for more than 30 years.

This is, perhaps, not quite relevant but I cannot forbear to mention that, if a Tory government, at any time over the previous nine years, had dared to bring in a bill of this kind, there would have been a firestorm in the media and in opposition political circles, but that is another question.

If there are some improvements to the process contained in this bill, they could well wait for the next redistribution.

Honourable senators, a message has been sent back to us, for whatever reason. I cannot comment on how the House of Commons conducts its business or how the government organizes the business of the House of Commons. The bill comes back to us with the clock ticking and we are told to pass it now. Honourable senators, this is no way to do business.

I move the adjournment of the debate.

**Some Hon. Senators:** Hear, hear!

**The Hon. the Speaker:** It is moved by Honourable Senator Murray, seconded by Senator Robertson, that further debate be adjourned until the next sitting of the Senate. Is it your pleasure, honourable senators, to adopt the motion?

**Some Hon. Senators:** Yes.

**Some Hon. Senators:** No.

**The Hon. the Speaker:** Will those honourable senators in favour of the motion please say "yea"?

**Some Hon. Senators:** Yea.

**The Hon. the Speaker:** Will those honourable senators who are against the motion please say "nay"?

**Some Hon. Senators:** Nay.

**The Hon. the Speaker:** In my opinion, the "yeas" have it.

*And two honourable senators having risen.*

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** I wonder, honourable senators, do you want to have the vote now?

**Hon. Noel A. Kinsella:** Honourable senators, pursuant to rule 67(1), after a standing vote has been requested, pursuant to rule 65(3), either whip may request that a standing vote be deferred as provided below. Rule 67(2) states:

> Except as provided in section (3) or as otherwise provided in these rules, when a vote has been deferred, pursuant to section (1), it shall stand deferred until 5:30 o'clock p.m. on the next day the Senate sits.

I so request.

Vote deferred on motion to adjourn debate.

[*Translation*]

## BUDGET IMPLEMENTATION BILL, 1995

THIRD READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Graham, seconded by the Honourable Senator Rizzuto, for the third reading of Bill C-76, to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

**Hon. Roch Bolduc:** Honourable senators, I will deal with two aspects of Bill C-76: first, the elimination of jobs in the public service and the related administrative process, second, the transfer payments made to the provinces.

Honourable senators, I will make five comments regarding the budget cuts affecting the public service. First, I notice that, with this bill, the right of workers to negotiate working conditions no longer exists.

• (1530)

Second, it seems that some 45,000 jobs will be eliminated, or about 20 per cent of the total number for the public service. However, that 20 per cent is not the result of cuts made throughout the public service. Rather, it affects specific sectors. Consequently, the government is proposing a voluntary early retirement scheme, but only for those affected, and not for the public service as a whole. I will come back to this issue.

Third, nobody knows what the net effect will be on the budget. During the hearings, we asked how much the severance packages would cost, for example, because we know that people who leave the public service always get packages. We were not able to obtain these figures, but obviously, there will be costs involved.

Secondly, labour costs. We have seen that, as the public service shrank, the amount of money spent on contract work has increased. At the end of this exercise, who knows what the budgetary situation will be.

Why is this measure not coupled with an interdepartmental management plan whereby the surplus staff from one department could apply for positions at another department where people want to leave of their own accord? The Professional Institution of the Public Service, for example, has presented us with the case of two electrical engineers, where the one working for the Department of Transport is declared surplus and the one at Public Works decides to take an early retirement, leaving a position open. Currently, there is no way to coordinate and cancel things out between departments.

Treasury Board told us that it gave responsibility for budget and staff cuts to departments individually. I believe that this makes no sense. This is an inhumane way to treat people. When people want to work for a department where other people are prepared to leave their positions, it would seem to me that it should not be difficult to offer those people transfers, especially when they have the same professions.

I am not talking about replacing an economist with a sociologist. I am talking about economists in two different departments. The current policy makes no sense to me. I would ask the minister responsible for the public service, the President of the Treasury Board, to look into this situation. In provinces where they went through similar exercises, they managed to deal with these situations. It is feasible.

There is also a fourth element. There are statutory restrictions that apply after employees leave the public service. If these restrictions are too specific, at some point it will be impossible for a public servant in Ottawa to earn a living, because the federal public service is the largest employer in the area. If we impose restrictions after the employee leaves the public service, he will never be able to find another job in the area. For instance, he will not be able to work on contract for a company, because the company may deal with the government.

There are a number of situations that do not make sense. The minister should take a long, hard look at this. There is a way to deal with this on a housekeeping basis. There is a way to change certain rules. It is feasible. It was done in the case of Bill C–29, in 1991 or 1992. When the government decided to legislate changes in the terms of employment of employees, in turn it agreed to negotiate with its employees on a formula for early retirement. I will stop here.

As far as transfers to the provinces are concerned, we see that a simple budget speech has brought about profound changes in two areas.

First, the government is redefining and redesigning Canada's social policy, a very broad term which includes health care policy, social services and issues connected with post–secondary education. All this is being changed using the budget as a kind of decree.

Second, at the same time the government is making crucial changes in how the federation is financed. This is a serious matter. Without discussions with the provinces this is very serious, because Mr. Axworthy goes around the country, holding meetings and doing studies. He wants changes, consults with everybody and has meetings. The Minister of Finance meets people across the country. In the end, all we know is there have been some crucial changes in the way the federation is financed. As honourable senators know, $87 billion is involved.

Furthermore, social policy is profoundly changed. However, in the area of social policy, the criteria on health policy remain unchanged. I have the bill before me, which provides that the public administration, comprehensiveness, universality, portability and accessibility of the health care system will be maintained. These are fine words. This aspect will remain unchanged. At the same time, the resources given to the provinces to put the system into effect will be cut. I say to you that we cannot go on indefinitely saying we are cutting transfers and maintaining criteria. Things are going to happen at the provincial level to make this unacceptable.

Also, the government talks about increasing the flexibility of the provinces with the Canada Social Transfer. This is the new system. At the same time, contributions to the provinces are being cut. So on the one hand, the government cuts contributions, on the other, it says candidly that the provinces will have more flexibility, and yet we know there were no federal standards on post-secondary education and there were no federal standards either on social assistance. So, I do not see how flexibility can be increased with resources cut. This is not a responsible way to talk in a budget speech. In 1993, at the time of the Mazankowski budget, transfer payments to the provinces amounted to $36 billion.

In 1997-98, according to the minister's budget, the figure will probably be $25 billion. This amounts to $11 billion less on a debt that is reducing, because it is expected to reach $25 billion in 1998. This means that more than half the deficit reduction in the next four years will come from cuts to social programs. I contend, and it is well known that I am not the greatest social democrat on this side of the house, but I contend that this is a lot. It is too much, as a matter of fact.

This cannot be called budgetary discipline. The federal government is being very paternalistic and is dumping the matter onto provincial shoulders.

This amounts to cutting the ground out from under Mr. Axworthy in the area of social policy, and it will be very difficult for him to meet the provinces in good faith to reach an agreement with them as the bill provides. According to it, he will invite representatives of all the provinces to consult and work together to develop, through mutual consent, a set of shared principles and objectives on social policy. I wish him good luck.

[*English*]

• (1540)

## FOREIGN AFFAIRS

### COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Leave having been given to revert to Motions:

**Hon. John B. Stewart**, with leave of the Senate and notwithstanding Rule 58(1)*(a)*, moved:

> That the Standing Senate Committee on Foreign Affairs have power to sit at four o'clock in the afternoon, today, Wednesday, June 21, 1994, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, Wednesday being the day many of our committees sit, we normally try to adjourn at 3:00 in order that committees can sit at 3:15. Today is very unusual in that only one committee, the Standing Senate Committee on Foreign Affairs, scheduled an *in camera* meeting to continue drafting its report. Therefore, no other committee is being inconvenienced by our prolonged sitting. We understand the concern and anxiety of the chairman of the Foreign Affairs Committee to get on with the business of that committee.

At the same time, we have much legislation before us at the present time and we are anxious to proceed. It is fortunate that we have that opportunity today since other committees are not sitting.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** The other fortunate situation, honourable senators, is that we have a very cooperative opposition in this chamber. We are happy to move this legislation forward and to accommodate Senator Stewart and his committee.

Motion agreed to.

## BUDGET IMPLEMENTATION BILL, 1995

### THIRD READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Graham, seconded by the Honourable Senator Rizzuto, for the third reading of Bill C-76, to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

**Hon. Mira Spivak:** Honourable senators, I ask your indulgence in that I have already spoken on this bill twice in this chamber. I rise to draw attention to an outcome of the budget with regard to my home province of Manitoba. Senator Johnson raised this matter during Question Period and it has been referred to in the press and in an address last week to the Canadian Federation of Biological Sciences in Saskatoon.

I refer to the 70-per-cent budgetary withdrawal — one can scarcely say "cut" — in freshwater research in the Department of Fisheries and Oceans over this and the next two fiscal years. In concrete terms, this means that the staff of the Freshwater Institute of the Fisheries Research Board at the University of Manitoba and its world-renowned Experimental Lakes Area observatory will dwindle from 64 to 16. Decades of research on 46 pristine lakes in northwestern Ontario which serve as a living laboratory will evaporate. It will mean that a counterpart team at the Canada Centre for Inland Waters will shrink from 35 to 11. It will mean the impoverishment of Canada's capacity to address the freshwater fisheries and environmental and public health problems which both research groups have addressed so successfully for decades, to their own and Canada's great credit.

To use a cultural analogy, the evaporation of federal support for freshwater science is tantamount to closing 70 per cent of the National Gallery of Canada, not merely losing Harbour Front. In sports terms, it would be as if Canada had decided that it could no longer afford to send 70 per cent of a hockey team to compete in the Winter Olympics; just a goalie and two forwards.

This is not hyperbole. Even a brief review of what these research groups have accomplished can convince anyone. Their successes include setting the scientific basis and laying out the policy options for: control of phosphate pollution of the Great Lakes, which success was recorded in the State of the Environment Report — phosphorous concentration by the mid-1980s was less than half its level in the mid-1970s, before the control — control of acid rain in North America; the ecosystem approach to environmental management; environmental health controls on PCBs, mercury, insecticides, lead, dioxins and other persistent toxic chemicals which affect the 60 million people living around the area of the Great Lakes, including some senators opposite.

The work of the Burlington team at the Canada Centre was recognized in 1986 when Richard Vollenweider was awarded the prestigious Tyler Prize for his research on the causes and control of eutrophication. Rhodes scholar David Schindler, who created the ELA research team in northwestern Ontario, also convinced politicians in both Canada and the U.S. to take action against phosphate contamination of fresh water. A very graphic aerial photograph of a whole-lake experiment at the ELA — half of the lake blooming with algae caused by phosphates — effectively settled the political argument. That photograph has been reproduced in 400 textbooks.

Dr. Schindler's work on the impact of acid rain and other pollutants has taken him to Washington several times to appear before congressional committees. It also won for him, and for Canada, the first-ever awarded Stockholm Water Prize in 1991 — the equivalent of a Nobel Prize in his field.

It is the ELA's 25-year record of data, its long-term research on the biological impact of climate change, and its work on flooding of wetlands for hydro–electric projects which makes it a national treasure; in fact, an international treasure.

When Bo Krantz, Secretary General of the Stockholm Water Foundation, visited the ELA campsite he reported back:

> There is no other experiment or project of this length and magnitude going on anywhere in the world. It must be of infinite value to any limnologist to be able to draw on the data base from full-scale experiments that have been collected during almost a quarter of a century. ... The ELA has brought Canada to the forefront of water science.

To Mr. Krantz, the continuation of the ELA work was not only a question of national concern, "it has wide international and, for that matter, intercontinental impact."

Not only have the Stockholm Water Foundation and past politicians found the ELA work invaluable; last year, while the Department of Fisheries and Oceans spent $2.2 million to operate the camp and its science program, universities throughout North America and other government departments and agencies used it to conduct projects valued at $4.6 million. AECL, Hydro Quebec, Manitoba Hydro and Columbia University's prestigious Lamont-Doherty Geological Institute have all asked scientists to work at the ELA.

Why would the Department of Fisheries and Oceans abandon a research group that has produced so many practical solutions and brought Canada such prestige? The truth is that it is abandoning even more than this. Late last year, to meet budget cut targets, it decided to become an "oceans only" department. It wants to hand over to the provinces and territories the responsibility for habitat management under the Fisheries Act, a responsibility which properly belongs to the federal government under section 91 of the Constitution.

It wants Environment Canada to be solely responsible for freshwater research and aspects of the administration of the Fisheries Act. It even wants the Government of Ontario to be responsible for certain international obligations, such as sea lamprey control on the Great Lakes.

Neither the provinces nor Environment Canada has picked up those responsibilities, because the Department of Fisheries and Oceans does not want to hand over enough money to sustain them. It wanted Environment Canada to assume freshwater research, including research at the ELA, for only 30 per cent of its 1993 level of support of those programs. Naturally, Environment Canada has balked and so the Department of Fisheries and Oceans has begun its 70-per-cent reduction plan. This is unconscionable.

• (1550)

The Fisheries Act is, without question, the most powerful piece of environmental legislation in federal statutes today. It gives the Minister of Fisheries power to intervene when dams, pulp mills or logging practices threaten fish habitat. With this budget the government is abandoning the scientific base to interventions and preparing to leave derelict the enforcement of the Fisheries Act in freshwater. With this budget it is preparing to abandon the best living laboratory in the world that could explore and solve other freshwater problems and that could give us the best ecosystem hard data on how climate change is affecting our natural world, all in the name of minor budgetary gain.

At the very least, the two ministers who have made public pronouncements on the importance of fish habitat on climate change and on biodiversity should sit down and resolve their budgetary dispute. That is the least the government can do. They should proceed beyond the memorandum of understanding drafted last fall, allow for a transfer of the ELA program to Environment Canada and give it the funds to continue its work.

At the same time, the government must not abrogate its constitutional responsibility for freshwater fish habitat. In offloading it to the provinces and territories, the government would gut the most powerful environmental law at its disposal.

The more we know about this budget the more we see how corrosive it is. It is eating away the country, its social safety net that I spoke of earlier, its support of a healthy agricultural community in Western Canada. Now we see that it is eating away the government's own best defence against environmental degradation and the science to protect our invaluable freshwater resource.

**Hon. Orville H. Phillips:** Honourable senators, I wish to draw your attention to an omission in Bill C-76. I am not sure whether it was a sin of commission or omission.

I am sure that all honourable senators have received a copy of a letter from the Royal Canadian Legion addressed to the Right Honourable Prime Minister on March 31, 1995. I can best and most briefly summarize the situation by reading two or three paragraphs from that letter, which states:

> Several areas of the 1995 budget will impose hardships and in some cases even intolerable affronts to the dignity and debt of gratitude owed to our veterans. One area arises with respect to the proposed changes to the Last Post Fund eligibility criteria and associated benefits. The Last Post Fund is a scheme to provide burial and associated assistance to veterans. The introduction of a new means test with a combined estate exemption based on family income and the reduction of the newly combined total exemption by more than 50 per cent (to $12,015) puts the estate exemption at an amount that is far below any poverty level. Furthermore it is clearly inequitable in that in the case of a married spouse all financial resources will now be considered in the figure of $12,015, the new proposed estate exemption, while in the case of a single veteran who holds finances jointly with another person that other person's assets will not be considered. The existing exemption is already inadequate but represents the minimum that should be retained.
>
> If this and other new regulations affecting the Last Post Fund are implemented as proposed, the original intent of giving a veteran a frugal but dignified funeral and honourable burial with an appropriate marker on the grave, will be lost to the shame of our country.
>
> Over the years needy veterans have been able to rely on the legitimate expectation that neither they nor their survivors would have to worry about an undue burden in respect to provision of a decent burial. Accordingly, these individuals have been able to make financial plans to take this into account. Now, at their eleventh hour they are to have this legitimate expectation frustrated at a point where they no longer have the time or the flexibility in their lives to plan around this unexpected and unwarranted change.

Copies of this letter were sent to the Honourable David Collenette, Minister of National Defence and Veterans Affairs, the Honourable Lawrence MacAulay, Secretary of State (Veterans) and Mr. David Nicholson, Deputy Minister of Veterans Affairs Canada. To date, the Legion has not received a reply.

The Estimates state that the recommendations require legislative or regulatory changes. These are currently under consideration.

Will the Leader of the Government in the Senate or the sponsor tell us what state these proposed changes are in, and if any consideration is being given to meeting the reasonable request of the Royal Canadian Legion? I would be delighted to have a reply from either the Leader of the Government or the Deputy Leader of the Government.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read third time and passed.

## BUSINESS OF THE SENATE

### COMPLAINT ON TRANSLATION OF SPEECH

**Hon. Eymard G. Corbin:** Honourable senators, I rise to complain with regard to the translation of the speech I made in the Senate yesterday afternoon on the Art Bank of the Canada Council. The English translation leaves a lot to be desired. I do not intend to take any more time of the house today, but I have also heard complaints about translations from English to French.

This cannot be allowed to continue. Our statements are sometimes distorted to a point beyond recognition. I do not know who does the translation. It certainly is rushed. It is not done with an intelligent understanding of the original text, and I protest as loudly as I can in the hope that this incompetence will end. It is unbecoming to the status of the Senate to have such poorly done work which then forms part of the permanent record of the Senate. I am really flabbergasted!

## VETERANS REVIEW AND APPEAL BOARD BILL

### THIRD READING

**Hon. Anne C. Cools** moved the third reading of Bill C-67, to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other Acts and to repeal the Veterans Appeal Board Act.

She said: Honourable senators, I am pleased to speak today at third reading of Bill C-67. Bill C-67 is a bold initiative by our government to reform the system of delivering veteran's pensions. It is an effort to respond to time considerations in the interest of that group of Canadians, the veterans of Canada, for whom time is short.

• (1600)

In 1939, Canada declared war. This declaration came on September 9, 1939 in the form of parliamentary approval of the Speech from the Throne. In the Throne Speech of the special war session of the Eighteenth Parliament here in this Senate chamber on September 7, 1939, his Excellency Governor General Lord Tweedsmuir said:

> ... all efforts to maintain the peace of Europe have failed. The United Kingdom, in honouring pledges given as a means of avoiding hostilities, has become engaged in war with Germany. You have been summoned at the earliest moment in order that the government may seek authority for the measures necessary for the defence of Canada,...
>
> I need not speak of the extreme gravity of this hour...The people of Canada are facing the crisis with the same fortitude that today supports the peoples of the United Kingdom and other of the nations of the British Commonwealth. My Ministers are convinced that Canada is prepared to unite in a national effort to defend the utmost liberties and institutions which are a common heritage.

Canada was in a state of war.

Canada did indeed respond to the crisis with fortitude, as the history of the period recounts. Our forces did not shrink from their task. Several times in this century, tens of thousands of men and women from across this country volunteered to fight with our allies. In addition to our forces overseas, countless other Canadians contributed here at home, supplying the war effort and caring for the wounded. Those who served us so proudly and so well at war are now in need of our great attention. C.P. Stacey described the characteristics of some of these young men who went off to faraway lands to fight and, for many, to die, as follows:

> Sound sure and intelligent command at all levels; competent and painstaking staff work; expert and energetic support by the technical arms and the services; and, above all, consistently resolute and skilful fighting...

They served us well. We, in turn, must endeavour to serve them well in the later years of their lives.

This year, nearly 148,000 veterans and their dependents will receive over $1 billion in disability pensions from Veterans Affairs Canada. This represents Canada's resolute commitment to our veterans, a commitment of which we are all very proud. These figures are indeed impressive; however, they conceal some serious inadequacies in the system which delivers these benefits to our veterans.

Currently, there is a backlog of some 13,000 applications for disability pensions. The processing time required for a veteran to receive a pension can be anywhere from 18 months to two and a half years. Today the average age of veterans is 73 years. The current system is clearly inadequate. It is a large, bureaucratically complex system that is simply too slow. Many veterans have died before knowing if they qualified for a pension.

The current process dates back to 1971. Individual segments of the pension process have been studied and changed since that time. However, there had been no real systematic approach to the overall process until now. The result is that an already complex process has become even more burdened.

The measures contained in Bill C-67 will simplify, shorten, and streamline the process from start to finish. Some of the proposed changes in Bill C-67 include: the making of first-level decisions by the Department of Veterans Affairs; the reduction in the number of individual organizations dealing with disability pensions from four to two; the dedication of the Bureau of Pensions Advocates to appeal preparation; and the merging of the Canadian Pensions Commission and the Veterans Appeal Board into one administrative tribunal renamed the "Veterans Review and Appeal Board". This new board will still have two levels of appeal.

This government is making a commitment to reduce by half the processing time required for a veteran to receive a decision on a pension application. I emphasize that veterans will continue to have access to a two-level appeal process and legal advice where necessary.

Bill C-67 has been before Parliament for over six months. The proposals contained therein have been thoroughly examined and considered in the Subcommittee on Veterans Affairs of the Standing Senate Committee on Social Affairs, Science and Technology. In the subcommittee proceedings, the Secretary of State and his officials ably responded to senators' and witnesses' concerns. The government sincerely believes that Bill C-67 will be of great benefit to veterans. Our veterans have waited long enough.

I am convinced that the department is committed to reducing processing times by half. To this effect, the Secretary of State (Veterans), Mr. Lawrence MacAuley, and his deputy minister, Mr. David Nicholson, have assured the Subcommittee on Veterans Affairs that the department will continually attempt to reduce processing times and is committed to the continued facilitation of the process for veterans. Veteran's organizations have responded to this positively. Mr. Clifford Chadderton of the National Council of Veteran Associations assured us that his organization will continue their watch on the department's treatment of these matters.

I should like to take this opportunity to commend Secretary of State MacAuley and the Department of Veterans Affairs for their efforts in the planning and execution of these changes that will be made under the new system. That turn-around times will be reduced from the current 18 months to 9 months is an enormous undertaking and one which has been planned with a clarity of vision. When the Secretary of State appeared before the subcommittee, he and his deputy minister laid emphasis on the thoroughness of the department's planning. Our subcommittee was assured that all the necessary administrative changes to the system had been planned for and were ready to be put in place.

Secretary of State MacAuley further assured the subcommittee that, in the making of appointments to the Veterans Review and Appeal Board, due attention and care would be paid to continuity, experience, and qualifications.

Support for the initiative to shorten the time process has been noted among veterans' organizations. The subcommittee heard from representatives of the Royal Canadian Legion, the National Council of Veteran Associations, the Canadian Merchant Navy Association, and the Army, Navy and Air Force Veterans in Canada, to name a few.

Many veterans expressed a deep satisfaction about the existence of the Senate subcommittee and noted that this subcommittee is the only committee in the Parliament of Canada devoted exclusively to veterans' issues, needs, and concerns. They praised the existence of the subcommittee throughout its hearings and urged its continued life.

Bill C-67 is a timely response, given the increasing health needs and agedness of our veterans.

Over the years, the Senate subcommittee has had an impact on government policy under the chairmanship of Senator Lorne Bonnell and Senator Jack Marshall. Senator Jack Marshall, himself a veteran of World War II and one of the Senate's great veterans' protectors, chaired the subcommittee in the late 1980s and 1990s. The 1994 report *Keeping the Faith — into the Future* examined the future direction of the Department of Veterans Affairs and made 53 recommendations, many of which are answered in Bill C-67.

Senator Orville Phillips, another World War II veteran from Bomber Command, currently chairman of our subcommittee, guided us through our thorough deliberations on Bill C-67. I thank Senator Phillips for his leadership in our examination of this bill. His knowledge of these issues is comprehensive. His concern for the veterans is consistent and persuasive, as is his devotion to seeing these aging veterans well served.

At this point, I should also like to mention Senators Jessiman and MacDonald. These two senators are also veterans. All these senator veterans are themselves among the thousands of young men who volunteered to join the war effort. These senators' insights and experiences as veterans added a completeness to the subcommittee's considerations. They have been most sensitive to the urgent needs of our veterans.

Senator Bonnell, the Chair of the Standing Senate Committee of Social Affairs, Science and Technology, also deserves special thanks. Though not a veteran, he certainly has the heart of one. Senator Bonnell was responsible for the creation of the Subcommittee on Veterans Affairs in the early 1980s.

I should like to add a personal mention of certain veterans who are unknown to members of this chamber. I am speaking of some West Indian veterans, that is, British West Indians. These veterans, both black and white men, were recruited and screened in the West Indies for service in the Canadian Forces. They included at least 150 from my birth place of Barbados. I have personal knowledge of some of them, some of whom were friends of my family. These Barbadian men, these British West Indians, most of whom became Canadian citizens, fought for Canada in the air and on land, and on the beaches of Normandy and in Sicily.

• (1610)

Honourable senators, I will conclude by reading two stanzas from Lawrence Binyon's poem, *For the Fallen* — to be exact, the third and fourth stanzas. It is the fourth stanza from which the act of remembrance is taken. I read:

> They went with songs to the battle, they were young,
> Straight of limb, true of eye, steady and aglow.
> They were staunch to the end against odds uncounted,
> They fell with their faces to the foe.

—

> They shall grow not old, as we that are left grow old:
> Age shall not weary them, nor the years condemn.
> At the going down of the sun and in the morning
> We will remember them.

—

"We will remember them" are words that most Canadians have heard, considered and contemplated this past year.

Honourable senators, the best way for us to remember our veterans is to serve them as well as we can in the last years of their lives. Bill C-67 strives to do this. I urge all senators to agree to pass this bill before us.

**Hon. Orville H. Phillips:** Honourable senators, I thank Senator Cools for her remarks and also for her participation and attendance in the committee hearings.

The committee had two major concerns. One was the appointment of the membership of the new Veterans Appeal Board. Senator Cools has mentioned that the Secretary of State (Veterans) gave the committee the assurance that at least the majority of the appointments to the new board will have experience. It would defeat the whole purpose of Bill C-67 if we brought in an entirely new board who would take two to two and one-half years to become qualified in handling appeals.

Honourable senators, the other matter that was of great concern to a number of us, myself included, was the fact that pension advocates are no longer available on the first application. I readily admit that they are not needed in every case. If someone walks in who has lost an eye, a hand or something of that nature, it should be obvious. There should be no delay in granting a pension of this nature.

The suggestion is that they should not be necessary for simpler cases. Then the thought occurs to me, "Surely, 50 years later, the simple cases have all been settled." If there are any "simple cases" that are unsettled, then we have been neglectful in looking after our veterans. I am of the conviction that cases with technical and legal problems will need assistance from the pensions advocate. I am also concerned for the group who are of the age where their memory has gone. For example, say a veteran comes into the pension office to seek assistance and says, "I forget whether it was before the crossing of the Rhine, or during the crossing of the Rhine, or after the crossing of the Rhine, but somewhere in there I think I was injured." That type of individual will need the assistance of the pensions advocate.

Honourable senators, it was my intention to move an amendment allowing the minister or the Secretary of State (Veterans) to provide the services of the Bureau of Pension Advocates to these individuals. However, he has sent us a letter stating that he would do that. The committee has accepted his assurance, because we felt that if the bill were returned to the House of Commons, it might be lost. So, we passed it with that assurance, but also with a recommendation that the subcommittee monitor the situation. That is one of the aspects that we will be monitoring; namely, the number of people who request pension advocate assistance and the number who receive assistance.

I hope that you will all take notice of these two particular aspects that Senator Cools and I have mentioned and that you will also assist the committee in any way that you can.

Motion agreed to and bill read third time and passed.

## THE YOUNG OFFENDERS ACT

### BILL TO AMEND—THIRD READING

**Hon. Richard J. Stanbury** moved the third reading of Bill C-37, to amend the Young Offenders Act and the Criminal Code.

**Hon. Landon Pearson:** Honourable senators, I rise today to speak to Bill C-37, which is before us for third reading, by addressing a fundamental issue related to the youth justice system that so many of the witnesses who appeared before your Legal and Constitutional Affairs Committee raised. This is the issue of how to prevent serious criminal behaviour in young people and, if it occurs, how to prevent the young person from becoming entrenched in his or her ways.

The perspective I bring both to the YOA and to the issue of prevention is framed by the UN Convention on the Rights of the Child and formed by my lifelong study of child development. The UN Convention states in article 40, section 1:

> State parties recognize the right of every child alleged as, accused of, or recognized as having infringed the penal code to be treated in a manner consistent with the promotion of the child's sense of dignity and worth, which reinforces the child's respect for the human rights and fundamental freedoms of others and which takes into account the child's age and the desirability of promoting the child's reintegration and the child's assuming a constructive role in society.

However, what happens, honourable senators, when the child has no sense of worth? The element that struck so many of us so forcibly in much of the testimony that we heard was the degree to which young offenders arrive in the system because they have such a low opinion of themselves. Betty Fraser, retired Director of Youth Services from the province of Saskatchewan, told us that the word "rehabilitation", when describing programs for young offenders, is a misnomer because that implies they come from a good situation in the first place, and they do not. She said that "the vast majority of young offenders have never possessed the life-skills and attributes to function successfully." She went on to say:

> ...99.9 per cent of the girls who end up in open and secure custody have been severely sexually abused, severely physically abused, severely emotionally abused and heavily into drugs, alcohol and solvent abuse. Many are under the control of pimps.

Dr. Dan Offord, from the Centre of Studies for Children at Risk at McMaster University, told us about the "burden of suffering" the casualty class of youngsters he deals with as a child psychiatrist are carrying. He said, sadly, that even if he could increase his case load and see two or three more kids a day, he could scarcely make a dent in the dimension of the problem: the misery of these unhappy children.

• (1620)

Then the National Crime Prevention Council reminded us that children who are victims of violence, exposed to parental discord or neglected and unsupervised are at high risk for delinquent behaviour.

What we were hearing, honourable senators, is that, individually and collectively, many of us as adults are failing to carry out our responsibilities to our own and to other children and that, as a result, many children are turning to violence and other criminal behaviours to inflict upon society the pain they themselves have experienced.

What can society do? Almost none of our witnesses suggested that federal legislation alone, however good it is, can solve or even diminish the problem of young offenders. In committee, our discussions often turned to prevention.

It is the prevention of criminal behaviour in the young, honourable senators, that I would like to focus on today. In recent weeks, two excellent studies were made available to your committee to give some direction with respect to convention. One is "Au nom et au-delà de la loi", known as the Jasmin report, a study of the application of the Young Offenders Act in Quebec. The other is "Youth Crime and the Youth Justice System in Canada: A Research Perspective", by Anthony Doob, Voula Marinos and Kimberley Varma. Comments by the Prevention and Children's Committee of the National Crime Prevention Council are also very helpful.

Honourable senators, I will admit that the basic assumption underlying all prevention work with children, the assumption that there is a natural pathway for human development that, uninterpreted, will lead to competent, caring and responsible adulthood is a hopeful one. After all the years I have spent in the field of child development, I am convinced that optimism is justified.

As Dr. Offord said colourfully:

> ...growing up in Canada is like being on a train track. You start off and you just go. The fact is that at one time or another every kid gets off somewhat. It is just part of growing up. However, they get right back on track again. When you are thinking about what to do for kids, it should not just be in terms of where the kid is now but how to pull the kid around so that they are likely to go back to the middle. If the kid gets off track a bit, you want to ensure that what you are trying to do to help the kid does not push him or her further out. The intervention has to be some type that will bring the kid back to the middle.

[*Translation*]

In the Jasmin report, prevention is described not only as important but as a duty of society. It goes on to list three categories of prevention.

First, there is primary prevention. Crime is tied in with various social problems, such as poverty, unemployment, academic failure and a violent environment. Primary prevention consists in policies and programs aimed at alleviating these problems in the hope that this will make those affected less socially vulnerable and consequently reduce the incidence of delinquency.

As for secondary prevention, various research has established certain links between behaviour and other factors in children and participation in significant delinquent activities in teen years. Of course, we cannot predict with any degree of accuracy which kids will engage in delinquent activities in their teens, but we can certainly identify some who seem more likely to do so than others. Secondary prevention is designed to try and prevent young people considered at high risk from getting involved in delinquent activities.

The third category is tertiary prevention. It encompasses the actions taken to prevent young offenders from becoming repeat offenders. For example, the focus of the Young Offenders Act is on tertiary prevention in that the act takes reasonable measures to prevent criminal behaviour in teenagers.

[*English*]

Primary prevention — the attempt to modify the social circumstances that are known to cause damage to children as well as to strengthen children's own inner resources — is most effective when programs commence in early childhood. All of the research confirms that the years from birth to six are critical for healthy child investment and this includes good prenatal care.

To address problems at this stage in a constructive way requires measures that support families in their childrearing responsibilities and measures that enhance children's own development. A number of programs have been shown to be effective at reducing predicted rates of criminal behaviour in the population at large by combining these two thrusts. Typically, these programs, which do not necessarily have delinquency prevention as their primary goal, include home visiting before and after birth to help parents understand their responsibilities to their new baby and to help them develop the skills and the confidence to carry them out.

Many young parents these days are overwhelmed by the experience of being a parent, particularly those who lack reliable social and economic support. However, home visiting is only one component of a successful primary prevention program. Once a child is older, Head Start and other good early childhood education experiences become vital to the child's development.

There is no quick fix. Programs that work effectively must continue for some time, often many years. A good start is important for every child, but if we are to improve the life chances of our most vulnerable children and keep them on track, our efforts on their behalf must continue through to the end of adolescence.

This will involve interventions in the category of secondary prevention. Studies have identified four predictors of delinquency for individual children that can be modified: Poverty, poor performance at school, poor parenting, and temperamental impulsivity.

Secondary prevention is most effective with children in situations where these factors interact. One factor alone may not put a child at risk, but more than one will do so, since research has shown that a second factor multiplies the effect of the first one, and so on. Secondary prevention programs concentrate on reducing the risks to which children are exposed.

There is an excellent model in Montreal under the direction of Dr. Richard Tremblay involving boys identified at the age of four as aggressive. He and his colleagues have worked with them for the past 12 years with significant, positive results compared to a control group. These interventions are broadly based and multi-faceted, dealing with problems at home, at school, with peers, and so on.

While such programs are often successful, there are simply not enough of them, and so some young people, in spite of all the hints they have given, eventually end up in the youth justice system. RCMP Commissioner J. P. R. Murray, in a speech in Regina in April, referred to recent studies of young offenders incarcerated for serious offences between the ages of 15 and 17. On average, these youth started showing dysfunctional behaviour before age 4 and, over the years, averaged 19 separate interventions and 8 incarcerations. How many more signals can a child send?

It is when the young offender is actually in the system that tertiary prevention should come in. Programs for youth convicted of offences ought to provide them with the opportunity to break the habits of criminal behaviour they have unfortunately acquired. For even at this stage, there is hope. Boot camps do not help, but many other measures do.

Section 1(2) of Bill C-37 amends the Young Offenders Act to emphasize this by stating:

> ...the protection of society, which is a primary objective of the criminal law applicable to youth, is best served by rehabilitation, wherever possible, of young persons who commit offences and rehabilitation is best achieved by addressing the needs and circumstances of a young person that are relevant to the young person's offending behaviour.

Other sections support this positive thrust. For example, Dr. Alan Leschied of the London Family Court Clinic expressed satisfaction that the repeal of section 22 of the old Young Offenders Act will now allow a judge to send young people to treatment when Dr. Leschied's assessment has indicated they could profit from a specific program.

However, your committee heard concerns from several witnesses about inadequate resources for community-based services that would assist in tertiary prevention. We urge the federal government to strengthen its commitment to the prevention of youth crime by ensuring that further cost-sharing arrangements with the provinces and territories provide sufficient resources for the kinds of community-based services that may, in the long run, offer the best hope of achieving public safety through rehabilitation.

Honourable senators, we must not give up on the youth of Canada. They are too important to us, both now and in the future. We were told that it costs between $80,000 and $100,000 to retain one young person in custody for a year. Even then there is no guarantee they will emerge at the other end "habilitated," especially if they have had to serve time in the adult system.

Surely we could spend that money more wisely if we insisted on investing it in prevention at all levels. We would not succeed with all children but we would certainly succeed with some. I believe, along with Dr. Dan Offord that:

> If anti-social behaviour could be reduced markedly in childhood and adolescence, it would be significantly reduced in adults within one generation.

• (1630)

**Hon. A. Raynell Andreychuk:** Honourable senators, I rise today to speak to Bill C-37, to amend the Young Offenders Act and the Criminal Code which is now before us at third reading.

Since I spoke to the bill on second reading and stated my concerns and reservations, many excellent and well-researched witnesses have appeared before the Senate Standing Committee on Legal and Constitutional Affairs. Also, some highly pertinent reports have been made available to us recently, including the report of the ninth session of the United Nations committee studying the rights of the child, the Jasmin report, and the working document of the Department of Justice entitled, "Youth Crime and the Youth Justice System in Canada: A Research Perspective."

First, I should like to thank members of the committee for their concerns and response to Bill C-37 and for their patience in hearing me out on this issue of prime importance. In addition, I extend my appreciation to the witnesses who appeared before our committee for their helpful testimony.

We, in the committee, understood that it is often difficult for both the workers involved in the system and for the victims of crime to express themselves on issues which obviously affect them so profoundly.

Honourable senators, I was once told that if we want to look at how well a society is doing, we must look at the laws it passes for its children. The obvious question then is: What have we learned as a result of our experience in dealing with this piece of legislation? How do we rate in our attempts?

I have learned five essential points that I feel are worth highlighting. First, it is evident that we are not in the midst of a youth crime crisis. Although the sensationalization of a few spectacular cases in the media make it appear so, empirical data shows that youth crime has not increased significantly over the last number of years. However, this should not imply that violence is not a problem or that there are no problems with youth. On the contrary, I suggest that a crisis looms for youth if we continue in the direction in which we are heading as a society, and if we do not address some serious societal ills.

Second, I continue to realize that we must make young offenders accountable in a realistic manner. Young offenders, whether they be of the most violent stripe or the least offensive, deserve our attention and resources. We must ensure that they receive, at this malleable stage in their development, the kinds of responses that are consistent with youth in the 1990s.

The working document of the Department of Justice to which I referred earlier states:

> Each generation, it seems, manages to rediscover youth crime while simultaneously forgetting about the nature of its own youth. And, of course, we tend, as our parents, grandparents and great-grandparents did, to look to the criminal justice system...and much less frequently to other state institutions to find an answer.

If we were to adopt a multi-discipline and integrated systems approach to youth which looked at the roots of the problem rather than at the results, we would have a better chance for success. In so doing we could yield youths who are more productive and ready to contribute positively to society.

Third, society must balance the needs of all and understand its special responsibility toward children. We need a society that is tough when it seeks to show its displeasure. However, toughness alone does not make for an adequate response. Above all, there is a need for us to be fair as we seek to discipline. A tough lesson does not have to be a punitive one. Our goal should be a better, more productive society, not a society of retribution and throw-aways.

Fourth, as Canadians, we have been misinformed, misguided and misled into believing that getting tough with young people is equivalent to reducing the number of crimes committed and thereby protecting society. All one has to do is consider for a moment the available statistical information to conclude that quite the contrary is true. Getting tough with young people is likely to have adverse repercussions on society as a whole. As Dr. Alan Leschied from the London Family Court Clinic pointed out, we actually contribute to crime by overpenalizing.

The crisis that exists with regard to youth in Canada is rooted in the society in which we live. The solution, then, also lies in the greater societal context. This crisis is not properly addressed in Bill C-37, which simply serves as a placebo for a real issue which is not being addressed. In fact, we may be hindering the long-term process by not now looking at the broader context.

Given a chance to study the available data and examples, it is revealed that just getting tough is not the appropriate response. Quite frankly, it cannot and will not work.

One need look no further than the Department of Justice's own working document to recognize the failure of this legislative response. Although I am tempted to read the whole document, I will limit myself to a few relevant passages. The first one cites the work of the highly regarded Australian criminologist, John Braithwaite. It states:

> John Braithwaite summarizes very succinctly the factors that, for the most part, are agreed to be important correlates of crime across a large number of studies carried out in a wide range of countries. The first ten "facts" about crime (other than "white collar" crime) that he lists are as follows:

1) Crime is committed disproportionately by youth.

2) Crime is perpetrated disproportionately by 15-25 year-olds.

3) Crime is committed disproportionately by unmarried people.

4) Crime is committed disproportionately by people living in large cities.

5) Crime is committed disproportionately by people who have experienced high residential mobility and who live in areas characterized by high residential mobility.

6) Young people who are strongly attached to their school are less likely to engage in crime.

7) Young people who have high educational and occupational aspirations are less likely to engage in crime.

8) Young people who do poorly at school are more likely to engage in crime.

9) Young people who are strongly attached to their parents are less likely to engage in crime.

10) Young people who have friendships with criminals are more likely to engage in crime themselves.

What is probably important about this list, honourable senators, is that, for the most part, it deals with factors that probably reflect complex socialization effects, for example, gender and age, or interactions with other normal parts of society. Reducing crime, then, is likely to mean that we should focus on what these factors mean and how social interventions might take place.

This is not to say that there is no role for the youth justice system in the prevention of youth crime. It is only to suggest, in terms of crime prevention, that the role is limited.

Another passage contained in the same document hits the nail on the head when it cites a research report edited by Richard Harding concerning the initiatives put in place in Western Australia. The report states:

> This Research Report is about Western Australian experience and the failure of the legislative response. But it is more than this. In reality it is a case study into why and how such responses will always fail. Selective incapacitation will never work; court dispositions, coming at the very end of the delinquency continuum, will never significantly affect what happens at the beginning or in the middle of that continuum; flagrant breaches of international standards, which represent hard-won universal wisdom as to optimum strategies in the less than optimum world of juvenile dislocation and dysfunction, will always backfire.
>
> The only philosophy that consistently offers hope is one that attempts to draw multi-problem youth into society rather than drive them out. In applying that philosophy, of course, it will continue to be necessary to identify and isolate some youths for some periods. But that must be done in a subtle and conscientious process, not an indiscriminate and crude one. And it must be done with compassion and understanding, not rage and revenge. Long-term juvenile crime prevention is demanding and difficult and often dis-spiriting; and unlike short-term punitive responses, it offers no illusory "quick-fixes" to its proponents and practitioners.

• (1640)

Honourable senators, the transfer provisions contained in Bill C-37 are hardly subtle, nor are they selective and indiscriminate. On the contrary, they are crude and discriminate. They run counter to the best data available. How is this acceptable or even explainable? Further, how can we not feel insecure and scared when the government says it will get tough until data and information collected to prove or disprove its theories is found? Yet, since February the government has been in possession of a working document it had commissioned which strongly, and with good empirical data, disproves their approach. Unfortunately, the government does not see fit to file this important document with the committee members until after the committee's deliberations, which ended last Thursday. One wonders.

The Jasmin report from Quebec is to be commended. It touches on all aspects of youth crime and the protection of society. It provides a good analysis and blueprint for the proper approach to be taken with youth in Canada. It is incumbent upon the government to acknowledge its responsibility in bringing the true facts to the public and the media. A strategy is urgently required.

Honourable senators, the option chosen by the government to fight crime is known to be unworkable, and it is the most costly option available. In these times of restraint, when every dollar counts, high-priced incarceration with no probability of making our society safer is wasteful.

My difficulties with Bill C-37 have nothing to do with those aspects which seek to improve the administrative workings of the Young Offenders Act. It is expected that improvements will be required from time to time. Instead, my difficulties stem from two concerns I have with the legislation. First, I cannot bring myself to support the aforementioned transfer provisions. In fact, if this matter were put to a vote, I would have to vote against it.

Second, as a Canadian, I am concerned about the general direction we are taking with the Young Offenders Act and with youth issues in general. I am concerned as to what our youth justice system will look like when we head into the 21st century.

First, by reversing the onus regarding transfers to adult court, clause 8 of Bill C-37 represents a significant change in the way Canada deals with youths. Whereas it is currently up to the Crown to show why a youth, 14 years or older, charged with an indictable offence should be proceeded against in adult court, Bill C-37 would shift the burden of proof onto the shoulders of youths. The proposed amendments amount to a presumptive transfer that would send all youths charged with violent offences to adult court, unless the youth can demonstrate that he or she should be kept in youth court.

I think this approach is dead wrong. It is not only unfair, but it is time-consuming and expensive. Furthermore, there are no assurances that it will have the desired effect. In fact, much of the research shows that it is a regressive step which will result in more crime, not less crime.

If we had hoped to deter youths from criminal activity through transfers, an analysis of the empirical data shows that we are clearly on the wrong track. The Department of Justice's working document cites U.S. examples to prove this point when it states:

> ...changes in the likelihood that a young person will be dealt with in adult court do not seem to have an impact on youthful offending.

Furthermore, it finds that the "perceived personal likelihood of apprehension" might serve as a better deterrent.

The same case was made by the Jasmin report as it concluded that accountability can be better tied to expediency and speed of intervention. Shifting the onus onto the shoulders of the youths will only exacerbate the problem of systemic delay, further straining our already overburdened justice system in terms of both time and cost.

Honourable senators, we created the children and the society in which our young people live. Their problems are our problems. If we believe that some young people should be incarcerated, then it is the responsibility of adults to decide which ones, and not young people.

It was decided long ago that it was because youths are immature and do not fully understand the consequences of their actions that adults must be responsible. Now we are abrogating our safety and the protection of children to a segment of society which has shown itself to be the least capable of making the right choices and sound decisions. I am referring to violent offenders. Essentially, it boils down to Canadian youths being forced to prove that they are worthy of our time and our resources; being forced to prove that adults should have some responsibility towards them. Why should youths have to prove to us that they should be treated as young persons? It will be the first time in Canada that they have had to convince us as to their value.

**The Hon. the Speaker:** Senator Andreychuk, I hesitate to interrupt you, but your time is up. Is it your wish, honourable senators, to allow the Honourable Senator Andreychuk to finish?

**Hon. Senators:** Agreed.

**Senator Andreychuk:** Furthermore, the proposed transfer provisions run the risk of punishing the crime and not the criminal.

The transfer provisions also raise some poignant questions about the fundamental principles of justice. We must consider the ramifications of a court deciding the fate of a young person before a guilty verdict has been rendered. What about the young person who has been wrongly accused and is innocent?

We must also consider whether or not it is desirable for children to be placed in custody with adults. Indeed, the United Nations committee report expressed relatively strong reservations with respect to this point. Simply put, it is not in the interest of rehabilitation and it is certainly not in the long-term interests of societal protection.

Honourable senators, as Dr. Dan Offord, a child psychiatrist who directs the Centre for Studies of Children at Risk said:

> One would expect that putting teenagers in the adult system would lessen the possibility of a good outcome... If we exclude them more than we must, I will feel safer, but the evidence is clear that my children and grandchildren will be in bad trouble unless something is done about it.

In other words, short-term retribution does not mean long-term safety. Furthermore, it is dangerous and counter-productive to encroach on the special jurisdiction we created when we implemented the Young Offenders Act. We can only expect young people to come out worse from their experience.

I am also concerned that the Canadian public has been misled into the misperception that Canada is, in some way, soft on crime. It ties into the myth that society can be protected simply by toughening the Young Offenders Act. These myths must be dispelled.

I defer to Senator Pearson who has already quoted RCMP Commissioner Murray, who has disproved the myth that there is an acceleration of crime and who has quite rightly pointed out the fact that interventions must come early.

Clearly, by western standards, we are already tough. Now Bill C-37 is being sold for political reasons as a means of protecting society through the use of tough measures. The government is pushing the notion that, by locking up youths, communities will be safer. Somehow, we are to believe that getting tough is equivalent to increased public protection. If this were indeed the case, I would feel much differently. However, I again state that this is a myth.

• (1650)

We, as legislators, must be wary of feeding that myth by passing pieces of legislation such as this one and saying to people, "Look what we have done to reduce crime. We have toughened sentences." By so doing, we are only raising expectations. Is it any wonder that the public clamours for tougher measures when they are frightened and fearful of crime? When legislating, one must look to the long-term effects and consequences. Sending young people to jail for long periods does not reduce the incidence of crime, thereby protecting society. If retribution is our aim, then we are succeeding. However, if rehabilitation and the long-term safety of our communities is our goal, we have missed the mark.

As Betty Fraser, the former Director of Youth Services in Saskatchewan put it, "Everybody gets out of jail sometime." What do we expect the kids who have been locked up to be like? I would argue — and many of the witnesses who appeared before us would back me up — that more incarceration serves only to breed criminal behaviour rather than deter it. Youths will come out of prison angry, embittered, more violent rather than less violent, and more dangerous rather than less dangerous. How is this protecting society?

The truth is that we are incarcerating more people than ever. It is my fear that we are only widening the net. Not only does getting tough and increasing incarceration not work for the protection of society, it is also terribly costly. It is essential that people come to understand that money would be better spent at the front end of the continuum, rather than at the back end where youths are already violent.

With regard to costs, I will only reiterate that it is the most costly way to deal with young people.

It is clear from the increasing incarceration rates that the root of the problem does not lie simply in ratcheting up the punishments in the Young Offenders Act. We must, instead, look at the broader societal context to find the real solution. When considering society, we must ensure that we do not make the mistake of going back to responses that worked for us. The truth is that society has changed greatly, especially for youths. For youths to respect the laws that we make for them, we must first consider the origin of the young people's value systems.

Honourable senators, when we were youths we learned our values from traditional institutions such as the family, the school, the church and the community. These traditional institutions no longer perform the same valuable functions, or at least not to the same extent. Youths now get their values from the worldwide information systems we have created. One has to question the values being taught by television, Internet, video games, shopping malls and popular music.

A recent *Globe and Mail* article highlights this very point. It cites a prominent U.S. researcher who has concluded, after many years of study, that the link between television violence and aggressive behaviour is as strong as the link between cigarettes and lung cancer. Perhaps just as interesting is the fact that the link is strongest for kids eight years of age but non-existent for 19-year-olds.

The problems facing young Canadians are numerous and increasingly complex. In recent years, youth unemployment and child poverty have increased. What awaits these children is an increased prominence of drugs and other negative influences. We, as adults, have given young people more freedom, less structure, more mobility and more information, both positive and negative. If the net is widening, it is because we have created a society where youths have been given access to some very negative tools.

Further, this legislation and this approach do nothing to address the disproportionate number of incarcerated youths who are aboriginal, members of urban youth gangs, or immigrant youths. The UN report on the rights of the child sounds a warning on these issues and others such as child poverty and suicide.

Honourable senators, if we really cared about our young people, we would not have bankrupted them. We often refer to young people as the future of our nation. Why then have we left them such a deplorable legacy? Consider the debt and deficit for a moment. Where are their jobs? Socially, what do they have to turn to in terms of popular culture? What are youths to learn from a society that consistently cuts back on education and health care while increasing the number of gaol beds?

As research suggests, 90 per cent of young people break the rules at one time or another. It is part of growing and developing. The vast majority of young people come back into the fold. Dr. Offord spoke of young people following pathways through their development and maturation, some sticking to the track, some falling off and later getting back on, and a few being lost for good. The working document of the Department of Justice makes a similar case. They both recognize the danger of allowing increasing numbers of young people to stray from the mainstream for too long. As is evident, youths alone should not serve as scapegoats for society's ills. They must be responsible for their share, but their share only. There is need to make others accountable as well.

The thorough and comprehensive review promised by Minister Rock must be carried out, and soon. However, we would be missing the mark if we constrained ourselves to the study of the Young Offenders Act or of the youth justice system as a whole. We must look beyond the youth justice system at everything that impacts on young persons' lives if we really intend to help children and put a serious dent in youth crime.

As a committee, we felt it necessary to include in our report on Bill C-37 some important observations. Although I would have worded the observations somewhat more strongly, I support their motive and content. I challenge Minister Rock to take account of our observations, as they follow from promises he has already made. When he appeared before our committee, Minister Rock stated, with regard to the funding of Bill C-37:

> ...it states that we should look at alternatives and provides a foundation upon which I can work in renegotiating those shared cost arrangements with the provinces to work in partnership with them to make the original objectives of the statute a reality.

These are nice words butthat is all they are. As Priscilla De Villiers of CAVEAT told us when she quoted *Macbeth*, "it is full of sound and fury, signifying nothing." We are talking about placebos here; the appearance of change rather than real change.

With respect to the intentions of Minister Rock, I do not doubt them, but experience has taught me that such promises often get lost in the shuffle. One need only look back to promises of resources by federal ministers responsible for the Young Offenders Act.

As early as discussions surrounding the YOA in 1981, then solicitor general Bob Kaplan made similar promises of studies and negotiations for funding. He promised an in-depth study to follow implementation of the act. We have not yet seen a study or increased funding. We are still waiting.

We are not at a loss when we consider alternatives for incarceration for young people. There exists a host of possible sanctions. They can range from sentencing circles to wilderness camps to community policing.

Brian Scully from the Ontario Social Development Council highlighted another interesting example for us, that of Dr. Jerome Miller, who said that, with $60,000, he could assess a child and send him or her on an innovative program. Dr. Miller has been very successful in rooting out deviant behaviour. In addition to that, he proved that it could be done in a more cost-efficient manner than by simple incarceration.

It is clear that now is the time for imaginative and innovative approaches. It is also essential that the approach be integrated so that all aspects of society may contribute and benefit. It is time we did something for youth in Canada. We cannot allow them to be further corrupted. After all, the protection of society is at stake.

• (1700)

**Hon. Consiglio Di Nino:** Honourable senators, I ask you to bear with me for a few more minutes. Many of the things I will say have already been addressed by my colleagues, Senator Pearson and Senator Andreychuk. In talking about the future of our country, I believe some of those words are worth repeating and I trust that I may be able to add one or two new thoughts to this debate.

I rise to speak on this bill, not only as a senator from Toronto, but particularly because of my ongoing involvement in the issue of youth rehabilitation through an organization headquartered in Toronto called Operation Springboard. As the largest metropolis in the country, Toronto has the dubious distinction of being in the vanguard of youth crime, both violent and property related.

As I have listened to the debate in the Senate, the House of Commons and the media, I have been struck by several things, the most important being how this legislation seems to lose sight of the youth in this issue and focus solely on the crime aspect.

One of the other impressions that I have been left with is the seemingly regressive nature of the bill. There are elements within it that sound more like the old Juvenile Delinquents Act than the Young Offenders Act proclaimed in 1984. These troubling aspects of the debate force me to ask the larger question that must be answered, and that is whether society is made safer from young offenders by this bill and the approach that it takes.

While it is true that we are continually horrified by individual incidents of crime as they are reported in the media, statistics do not support the commonly held view that we are seeing an increase in violent crimes by young people.

While the public perception is that youth crime and violence is rampant and on the increase, according to the Department of Justice, only 15 per cent of all crimes committed by young people in 1992 were violence related. Of those, only 13 per cent were violent in nature.

Furthermore, while the rate of violent crimes by young persons has risen, the recorded increase is largely in minor acts of aggression between kids of the same age. These are the kinds of acts that would not have prompted intervention by the justice system as recently as 10 years ago. During 1991, one-quarter of violent charges against youth involved the more serious offences of aggravated assault with murder, manslaughter and attempted murder, amounting to less than 1 per cent. Between 1986 and 1991, the murder rate remained constant for young offenders.

Despite these facts, public opinion surveys show that Canadians believe that violent offences account for 30 per cent or more of all crimes in this country, rather than the actual figure of 10 per cent. We could place a lot of the blame for those misconceptions on media sensationalism. The other factor experts point to is that public fears are heightened by their own economic uncertainty and the resulting sense that society is falling apart. That is certainly a failure for which the government must take some responsibility.

Many of the witnesses who appeared before the Standing Senate Committee on Legal and Constitutional Affairs also pointed a finger at government as the guardian of society's best interests when they spoke of the need to educate both Canadian youth and adults about the real situation of youth crime and what could be done about it. What we are seeing in Canada is a global trend toward using the justice system to solve social problems.

The question must then be asked: Will the tougher measures urged by a skewed public perception of the problem address the reality of the youth crimes committed, or act simply as a political panacea while the government searches for a larger vision?

Increased punishment has been the highlight of this bill, for which the government has been applauded in the media. In the committee hearings, however, the views have been somewhat different. There we have heard that even though we now have more police officers, lawyers, prisons and prison guards, we have not created safer communities. Traditional responses such as tougher sentences are not reducing crime, or reducing the chances of a young offender reoffending. Short-term safety has been achieved, but at what long-term human and fiscal cost?

How can traditional responses deal with the sensational new kinds of crime we are seeing in Canadian cities? A little over a year ago, Nicholas Battersby was killed in a drive-by shooting in Ottawa. That is an example of the type of violence that used to be unheard of in this country. In Toronto, we hear of gangs of young people swarming passers-by in shopping malls to rob them. We hear of home invasions that too readily call up images from the futuristic movie of the 1970s that honourable senators may remember, *A Clockwork Orange*. These are but a few of the examples of the new horrors out there. They appear in the cities first, and certainly that is where the fear is most prevalent.

What do we do about the fear and loneliness of so-called latch-key kids who get home from school at 3:30 while their parents do not get home from work until close to 6 p.m.? Why should we be surprised when a lot of bored and isolated children turn to gangs of their own age to get some of the attention and sense of belonging that is impossible for their parents to provide at home?

The rise of youth gangs is linked to larger issues, such as poverty, a history of neglect or abuse, the lack of stable family and community support for young people. In recent years, we have seen children under the age of 12 become involved in gangs. A 1994 study in Ontario noted that membership is also starting to cut across income levels.

There have been over 5,000 gang-related arrests since 1989, according to information provided by the Solicitor General's Department. Violence has too often been a feature of gang-related criminal activity, even though most gang-related crime consists of property offences. I would ask the government why property crimes have not been highlighted for consideration and study? While Bill C-37 urges the courts to look at non-custodial sentences in crimes that are not violence related, how are they to do so when so few alternatives to incarceration exist?

Having read the minister's request for a review of youth justice, sent to the chair of the Standing Committee on Justice and Legal Affairs in the other place, I wonder what the real purpose of the study is? While the minister has asked the committee to examine, among other things, the age range of the act and the issue of transferring offenders to adult court, Bill C-37 already deals with these matters. I understand the review will take place later this year, and I question the timing of this bill in light of the review timetable. It is not as if there will be statistics on the effect of this legislation available to them as part of their review.

While I appreciate that this bill was introduced as a result of a consultation process begun by the previous government, I am mystified by this government's approach to the issue. The legislation aside, the government's idea of process seems obscure, to say the least. What is the point of asking for public input in a national study after the government has already passed new young offenders' legislation? The government's new direction is evident in this legislation before us today, and another expensive study seems unlikely to change that direction.

As my colleague Senator Andreychuk has so eloquently pointed out, reversing the onus of the decision to transfer a young offender's case to adult court negates the equalizing nature that was one of the features of the legislation in the first place. One of the benefits of the Young Offenders Act that came into force in 1984 was that it normalized the age by which young offenders were to be determined. Some provinces had previously set the age at 14, some at 18. The current amendment reintroduces the old arbitrariness as well as giving judges more sentencing latitude, both elements of the old Juvenile Delinquents Act. Is the government response to the new types of youth crime simply to turn back the clock?

Another problem with the legislation is the lengthening of the legal process for youth. By making offences punishable by five years or more, young offenders now have the right, guaranteed by the Charter, to a jury trial and perhaps to a preliminary hearing. Both of those consequences are contrary to the original intentions of the Young Offenders Act.

The changes made by the last two Progressive Conservative governments adhered to the basic principles of the Young Offenders Act. This legislation introduces philosophical changes in what seems to be a politically motivated reaction.

• (1710)

Why are we doing this if incarceration does not work? Canada already has one of the highest rates of young offender custody in the world, and that rate is continuing to rise. The rate of incarceration has risen by 21 per cent in seven years, and the cost of keeping a youth in custody and receiving treatment is estimated by the Department of Justice to be $95,000 a year, nearly double what it is to keep an adult in jail. As Senator Andreychuk noted in committee, 80 per cent of our available resources are spent on custody.

What kind of return are Canadians getting for that investment? Not a great one, it would seem, with nearly two-thirds of inmates staying the same or getting worse as a result of treatment. Yet, stiffer sentences is what the government says the public wants and is willing to pay for. Can we afford this kind of shortsighted, short-term approach to public safety?

Naturally, I am sympathetic and do not quarrel with the kind of public rage that erupts when something like the home invasion murder of Robert Llewelyn in North York takes place. The young offender in that 1993 murder has not even been caught, although his 19-year-old partner was sentenced to 14 years in gaol last Monday. Some young offenders cannot be helped, but that is no reason to pass legislation for so few. Why not make legislation for the majority of kids who can be helped?

Certainly, there are some custody programs in place that offer structure and stability, elements which may have been missing from family life for too many young offenders. However, when custody ends, support ends. There is little or no support available once young offenders are released.

I vividly remember a visit I made to a rehabilitation centre in Oakville. In talking with social workers at the centres, they emphasized education in areas that contribute to self-respect and self-reliance. Young people need to be taught basic life skills, skills that give them an opportunity at self-reliance such as useful job training. One of the clinicians suggested doing away with most sociologists and clinicians and replacing them with auto mechanics, plumbers, carpenters, computer programmers and the like. Providing young people with positive role models and mentors will do far more for them in the long run than incarceration.

In gaol, the only thing these kids will learn is more about crime. I strongly believe that gaoling kids creates more criminals. I can give you all sorts of statistics to back up that belief. The point that we as legislators must understand is that legislation such as Bill C-37 will not make Canadian society safer in the long run. In fact, it may have the opposite effect. Custody becomes the only choice because there are so few other choices. Cost is not an issue that can be considered by judges but should be one that we as legislators consider. It was one of the suggestions made very persuasively in committee.

Operation Springboard is an organization with which I am very proud to be associated. It has been operating throughout Ontario but mainly in the Toronto area for 25 years now and offers the kind of integrated assistance that young offenders need to change their lives. Not only do they operate six court-mandated group homes, they also run three employment centres for ex-offenders, a rent-geared-to-income housing development, and community-based programs in 14 locations throughout the province. One of the programs sends rehabilitated kids into the school system to talk to other kids about their experiences — what got them into crime, and what happened when they got caught. Operation Springboard was designed as a one-stop shopping centre for young offenders in need of ongoing assistance to stabilize their lives. I am proud to say that, for many young people, it seems to be working.

At committee, there were many witnesses from Quebec, and the example of that province provides striking testimony to the benefits of an integrated approach to welfare and custody services as well as community support and preventative measures. You have heard Senator Pearson talk about that scheme.

Gone are the days, at least in our more transient urban communities, when very young children caught stealing candy from the corner store were well–known enough to the store owners that all they had to do was 'phone their parents for action to be taken. This kind of intervention at the community level went a long way in socializing children as to appropriate social conduct. Nowadays, urban transience has become the norm, and everyone is touting a law and order agenda. As a result, Canada has become a less tolerant society with unrealistic ideas of the justice system's socializing capabilities.

In a recent cover story in *The Globe and Mail*, programs were highlighted which aim at identifying youngsters in danger of behavioral problems by home visits. According to behavioral experts, problems can be detected as early as age three, and dealt with before they become entrenched, which usually happens by age eight. Research has shown the rising prevalence of youth gangs in elementary as well as secondary school-age groups, which adds to the urgency for early identification and intervention. These are the years when preventive measures can have the greatest effect, and where social structures must be in place to assist families.

Witnesses here and before the House of Commons called for a change in society's understanding of our responsibilities towards children and their families. The National Council on Welfare, in their most recent report, has shown that, as of 1993, the number of children living in poverty in Canada surpasses the number of seniors living in poverty. Those Canadians complaining that any change to the social welfare programs will spell the end of the social safety net need to look again. The net has already failed.

It is not the fault of families that most parents have to work outside the home to meet —

**The Hon. the Speaker:** Honourable Senator Di Nino, I regret to inform you that your time for speaking has lapsed.

**Senator Di Nino:** I will be guided by my colleagues. I have about five minutes.

**The Hon. the Speaker:** Is leave granted?

**Senator Grafstein:** I have no problem with granting leave; however, the time is approaching 6 o'clock. A number of speakers have gone well beyond their time. I have no problem with granting consent, but 6 o'clock is the time we would like to be completed today and there are a number of us who would like to speak, including myself.

**The Hon. the Speaker:** I gather leave is granted?

**Senator Grafstein:** With some sensitivity.

**Senator Di Nino:** I will shorten my comments.

The trend towards community policing will probably do more to reduce youth crime than all the legislation that this government can devise. It is certainly a feature of the Quebec experience and seems to be spreading, however slowly, in other provinces. We need leadership in coordinating and streamlining the efforts of all social services and justice vacancies.

While there are elements of Bill C-37 that are worthy and make its passage in this chamber inevitable, it appears to be a mere tinkering, a procedural piece of legislation. Larger aims are included in the bill, but the means to achieve them are not. I think many of us are sceptical of the epidemic of studies unleashed by this government. Enough studies have been done. Youth do not need a make-work project for federal bureaucrats; they need action-oriented planning and legislation. If that means a new Young Offenders Act, then let us get on with it. Four years ago, when I sponsored Bill C-12, I was told then by Department of Justice officials that a new young offenders act was expected shortly. Where is it, honourable senators? I hope to see it in the reports of these various committees and task forces.

I suggest that if these studies are to be of any use at all, they not limit themselves to the justice system but set out guidelines for integrated public policy in the areas of social security and community services. Previous studies have already told us that that is the only way to go if we are serious about helping kids in the long term. Not only that, we need to see a commitment of funding alternatives to incarceration. At present, only 10 per cent of justice funding goes to alternatives. If the government is serious about the lofty principles outlined in Bill C-37, let us see it back up those principles with some serious money.

If society is to be safeguarded, we must understand and respond to the new types of crime. More attention needs to be paid to the new individualized rehabilitation programs which are designed to target the causes of crime, be they poverty, abuse, neglect, or learning disabilities. Such a program aimed at first-time offenders in London, Ontario, reports a 96 per cent rate of success. If the kids are helped early on, they will not re-offend.

While the old Juvenile Delinquents Act was criticized for a lack of national standards and denial of basic legal rights to young people, its philosophic orientation was more towards ensuring child welfare than arbitrary punishment. Its downfall came when the highly discretionary powers given to justice officials contributed to the neglect of the interests of the young people it aimed to serve. The act was having no deterrent or rehabilitative effect.

The Young Offenders Act streamlined the system and emphasized the rights as well as according a certain measure of responsibility for the criminal actions of 12- to 17-year-olds. Obviously there are problems with this approach as well, or we would not have this bill before us today.

Responsibility and accountability are a two-way street, and it is time that our social responsibility for children is emphasized in the policy-making process.

• (1720)

One thing criminologists agree on is that youth crime is committed by damaged children who turn into violent adults. The high incidence of violent and sexual abuse in the background of young offenders suggests that a policy is needed that goes beyond mere tinkering with the Young Offenders Act. Evaluations of programs that focus on enriched child care, early education, improved parenting skills and reducing violence in the schools have shown the social and economic benefits of assisting children rather than punishing offenders. Much of this lies within provincial jurisdiction but the problem of who is acting in the best interests of children exists at both federal and provincial levels. There is a need, as was heard in committee, for a centralizing of authority to coordinate the actions of departments which deal with children's rights and problems.

Evidence shows that institutionalization does not reduce crime. Short-term protection will not diminish public concern over youth crime. Only a coordinated crime prevention strategy that reduces criminal opportunities will lower crime rates, enhance personal and community safety and eliminate the fear.

I think this debate has highlighted many of the concerns that need to be addressed in the House of Commons committee's review of the Criminal Code this summer as well as a study by the federal-provincial territorial task force. I assure the government that we will be watching their efforts closely.

Motion agreed to and bill read third time and passed.

## CRIMINAL CODE

### BILL TO AMEND—SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Bacon, seconded by the Honourable Senator Roux, for the second reading of Bill C-41, to amend the Criminal Code (sentencing) and other Acts in consequence thereof.

**Hon. Duncan J. Jessiman:** Honourable senators, I rise to speak on Bill C-41, which was introduced in the House of Commons on June 13, 1994. The Senate has received this large, comprehensive bill a mere few days before the house is scheduled to adjourn. I will return to that point later.

Honourable senators, this subject has been studied and restudied. I thought originally that it was for 16 years, but Senator Bacon did some research and found out that it was 20 years. My assistant, Donna Lock, who was giving a paper yesterday on just one aspect of this bill, found that it went back 30 years.

In 1965, there was the Ouimet report, an order in council to study the broad field of corrections. In 1972, there was the Hugesson report, which is the product of The Task Force on the Release of Inmates, established by the then Solicitor General of Canada; in 1974, the Goldenberg report of the Standing Senate Committee on Legal and Constitutional Affairs, Review of Parole and Sentencing; in 1976, the Law Reform Commission of Canada report on Disposition and Sentencing; in 1979, a comprehensive review of the Criminal Code, agreed to by the federal and provincial governments; in 1982, a publication called "Criminal Law in Canadian Society"; in 1984, a white paper announcing the government's policy statement on sentencing, along with proposals for reform; and on February 7, 1984, the Liberal government introduced Bill C-19, dealing with the same subject. It was introduced in the Commons but it died on the Order Paper when an election was called.

Later in 1984 the new Conservative government appointed a Canadian Sentencing Commission which reported to the government in 1987 with a number of reform suggestions. Also in 1984, the House of Commons Standing Committee on Justice and the Solicitor General reviewed various aspects of sentencing, corrections and conditional release. From this came a document entitled "Taking Responsibility".

Between 1985 and 1989, a Royal Commission on Sentencing produced what has been called the Archambault report, which itself was reviewed by a parliamentary committee in 1988. In many ways, its recommendations advocate that particular attention be paid to the role of the government. Finally, in 1990, the government published a three-volume green paper on sentencing, corrections and conditional release entitled, "A Framework for Sentencing, Corrections and Conditional Release".

Although none of the above studies were unanimous as to what should be done to correct the system, there were a number of recurring observations and concerns regarding the sentencing process. For example, first, the lack of clearly stated policies or principles of sentencing as a contributing factor to the unwarranted disparities between sentences imposed for similar offences; second, the effectiveness of the available options were questioned; and, third, Canada's relatively high incarceration rate.

In 1992, Bill C-90, dealing with sentence reform, was introduced in the House of Commons. It was similar to Bill C-41, except it did not have the provision respecting crimes motivated by bias, prejudice or hate, as is contained in section 718.1(*a*)(i) and (ii). I will deal with those particular subsections in more detail later. Bill C-90 also died on the Order Paper when the election was called in August of 1993.

There is no doubt, honourable senators, that Bill C-41 has some interesting, innovative and useful changes to the law, including a statement of purposes and principles. I will not read many sections, but a number of the people who gave evidence at the House of Commons committee said a lot about a statement of purposes and principles and said that it was important to include something in the bill along these lines. It states:

> 718. The fundamental purpose of sentencing is to contribute, along with crime prevention initiatives, to respect for the law and the maintenance of a just, peaceful and safe society by imposing just sanctions that have one or more of the following objectives:
>
> (*a*) to denounce unlawful conduct;
>
> (*b*) to deter the offender and other persons from committing offences;
>
> (*c*) to separate offenders from society, where necessary;
>
> (*d*) to assist in rehabilitating offenders;
>
> (*e*) to provide reparation for harm done to victims or to the community; and
>
> (*f*) to promote a sense of responsibility in offenders, and acknowledgement of the harm done to victims and to the community.

Although that has been well written and well thought of by some, Mr. Frank Schultz, Executive Director of the Canadian Chiefs of Police, said this when he gave testimony in the House of Commons:

> ...the most important part of this bill should be the declaration principle. We submit that it does not receive the prominence it should. We very much support the concept of inclusion of a declaration of principle, and to that extent we applaud the efforts of the draftspeople. We do think, however, that they have it wrong. We strongly recommend you take a good, long, hard look at the wording of the declaration of principle.

• (1730)

Honourable senators, there are other parts which I would support. A court which imposes a sentence shall take into consideration certain general purposes and principles: Sentences should be similar to those imposed on similar offenders for similar offences. When consecutive sentences are imposed, the combined sentence should not be unduly long or harsh.

One witness said they thought that clause was going too easy on offenders.

In an attempt to lessen incarceration rates, the principle is put forth that:

> ...if less restrictive sanctions may be appropriate in the circumstances; and
>
> (*e*) all available sanctions other than imprisonment that are reasonable in the circumstances should be considered for all offenders, with particular attention to the circumstances of aboriginal offenders.

The present incarceration rate in Canada is 1.5 per 1,000 adults. About 1 in 6 persons incarcerated are aboriginals. In 1993-94, the average number of inmates in correctional institutions was 32,800, 13,300 in federal custody and 19,500 in provincial custody. Outside the territories, the proportion of aboriginal inmates was highest in the prairie provinces; 56 per cent in Saskatchewan; 48 per cent in Manitoba; 24 per cent in Alberta. The provision to try and find another way is most welcome.

Honourable senators, other matters were interesting and worthy of mention. There is a system of alternative measures. There is also a provision for conditional sentences to be served in the community, and subject to compliance of certain conditions imposed by the courts. Fines are not to be imposed on persons who cannot afford them. I have read that 51 per cent of inmates are there because of unpaid fines. Other material puts the figure at 33 percent, as Senator Bacon mentioned.

Victim statements can be considered before sentencing and in parole decisions. Reasons for imposing sentences are to be given by judges and recorded for others to see. That will be expensive and time-consuming but it will probably be worthwhile. The probation program will have a fine option program. Rather than doing their time, those who could afford to pay would be fined. Some criticized this section because it may create a law for the rich and another for the poor.

Another innovative section has a victim fine surcharge for those people who commit crimes under the Food and Drugs Act or Narcotic Control Act. They could be surcharged at 15 per cent of any fine. If no fine is included in the sentence, the surcharge is $10,000.

Restitution was introduced. There is much material on that. As I was reading in the related literature that the goal is to instill in Canadians who commit crimes that they must be responsible and pay back what they have stolen, I could not help but think of the Pearson airport agreements.

All of the above provisions are worthy of support. Although some of them will be expensive to implement, if it will reduce the number of inmates in our prisons, it will be worth the extra initial expense because it could save millions in the future.

I now want to deal with paragraphs 718.2(*a*)(i) and (ii), the most controversial sections. Of the 165,000 letters received in opposition to this bill, most referred to these paragraphs.

This clause does not seem that bad when you read it. I do come down on the side of the minister, but I want you to know the background behind this controversy.

That clause reads as follows:

> A court that imposes a sentence shall also take into consideration the following principles:
>
> (a) a sentence should be increased or reduced to account for any relevant, aggravating or mitigating circumstances relating to the offence or the offender, and, without limiting the generality of the foregoing,
>
> (i) evidence that the offence was motivated by bias, prejudice or hate based on race, national or ethnic origin, language, colour, religion, sex, age, mental or physical disability, sexual orientation or any other similar factor...

Those words are almost identical to the section of the Charter of Rights and Freedoms, except for the addition of the words "language" and "sexual orientation".

> (ii) evidence that the offender, in committing the offence, abused the offender's spouse or child...

This paragraph was not in the original bill. It was added by the House of Commons committee. I think it has merit.

> (iii) evidence that the offender, in committing the offence, abused a position of trust or authority in relation to the victim shall be deemed to be aggravating circumstances.

Some people objected to the addition of "sexual orientation". This clause is based on protection of the homosexual community. Over the years, from 1970 or perhaps a little earlier, homosexual acts could be committed legally behind closed doors between consenting persons 21 years of age or older. That age limit has now been reduced to 18 years of age. Prior to that, homosexuality was illegal; it was contrary to the Criminal Code.

The objection was made that this clause opens the door for not only homosexuals but for people of other sexual orientations, such as paedophilia, to request special protections. The minister answered that paedophilia is against the law. Some people are concerned that that, too, will change some day.

I can remember, as a child, that people who lived together out of wedlock were considered to be living in sin, and that was unacceptable to most of society. Yet today, common-law relationships are acceptable and recognized under the law.

Now we have moved further ahead — or behind, I do not know which. We are recognizing homosexuals. People are concerned that using the phrase "sexual orientation" without adding any definition, without limiting it to homosexuals, heterosexuals or bisexuals, could eventually lead to inclusion of paedophilia, narcissism, necrophilia, asexuality, transexuality, you name it. People are seriously concerned about this. I do not necessarily agree, but I want to express the point that they were trying to make.

• (1740)

This all started with the equality of rights in the Charter, which states:

> Every individual —

It does not say "any group of individuals".

> — is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular —

It does not say "in particular, without limiting the generality of the things we will state here." It simply states:

> — in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

In a booklet which contains the Charter of Rights and Freedoms, it states that the notes therein are for explanatory purposes only and should not be taken as legal interpretation of the provisions of the Charter. I refer honourable senators to the explanatory notes with respect to section 15 of the Charter, which state that the list of grounds of non-discrimination and the list for affirmative action is not exhaustive, which may enable the courts to apply further grounds of non-discrimination where the distinctions drawn are considered unacceptable.

I wish to refer honourable senators to the case of *James Egan and John Norris Nesbitt v. Her Majesty the Queen in the Right of Canada and Attorney General of Quebec, Canadian Human Rights Commission, Commission des droits de la personne du Québec, Equality for Gays and Lesbians Everywhere, Metropolitan Community Church of Toronto, Inter-Faith Coalition on Marriage and the Family and Canadian Labour Congress*. The case was reported on May 25, 1995. It was a five to four decision by the Supreme Court in which the justices discussed the changing mores of our society and how we have come from recognizing married couples to recognizing those living common-law. They did not go that far for the homosexual plaintiffs in this case. However, I point out that they were only one vote away from doing so.

The fact that the courts have held that gays and lesbians are protected under section 15 of the Charter, although they are not mentioned in the list of particular groups, and now inserting the word "sexual orientation" in the Criminal Code to produce increased sentences for those attacking gays and lesbians, some claim, including I think five Liberal MPs in the House of Commons, may be another stepping stone in having homosexual and lesbian couples recognized as couples like any heterosexual couple. I do not necessarily agree with that. However, I wanted to put it on the record because that is what a lot of other people think.

This bill has been in the House of Commons for almost a year. It took closure to get it passed. It is now before the Senate. This is a serious bill. We on this side hold the majority. This problem has been studied for 30 years. There were two other pieces of legislation in a vein similar to this bill, one brought in by a Liberal government and the other by a Conservative government. They were never passed.

There is still a problem with one clause in this bill. I am not against it. However, I want to point out that many people are.

On balance, the House of Commons wants this bill passed tomorrow. It will be referred to committee tomorrow. No one will look at it.

If I were the one determining this issue, I would vote in favour of the bill. That is what I am recommending. I know the government is anxious to see it passed.

We do not know when the referendum will be called. We do not know when this session of Parliament will be prorogued. Should we take the same stand with respect to this bill as we have taken on the firearms bill, which we could do with justification? This is important legislation. I know that there will be a lot of people out there saying we are not doing our job of taking a sober second look at this bill. However, on balance, we have waited too long. We have to get these measures into force. If there have to be some changes later, so be it.

I suggest that we refer the bill to the Legal and Constitutional Affairs Committee as soon as possible with a view to passing it before we adjourn for the summer.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE.

**The Hon. the Speaker** *pro tempore*: Honourable senators, when shall this bill be read the third time?

On motion of Senator Bacon, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## CHEMICAL WEAPONS CONVENTION IMPLEMENTATION BILL

SECOND READING

**Hon. Jerahmiel S. Grafstein** moved the second reading of Bill C-87, to implement the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction.

He said: Honourable senators, we are less than five years away from the millennium, the end of the 20th century. Thoughtful observers have already labelled our century, the 20th century, the "killing century".

Some have calculated that over 167 million people have been slaughtered in this century. Most are victims of the modern nation state. Most died in the aid of the nation state. Most deaths were taken by the creative collaboration of modern science and technology — the divine in the hands of the demons.

The nation state and the 20th century have become synonymous with the unbridled use of state power and the violent drenching, if not drowning, of the rule of law. Sometimes the 20th century mirrors more the Middle Ages rather than the millennium. Nowhere has the unholy alliance between the state and the death industries of science and technology brought greater havoc or horror than through the deployment of modern chemical warfare. It was the horrors of chemical warfare during the First World War that instigated and propelled the international community to adopt the Geneva Protocol in 1925, some 60 years ago, banning, for the very first time, the use of chemical and bacteriological weapons of war.

• (1750)

But from the first moment of its adoption, the restrictions and limitations of the 1925 protocol were apparent and transparent. No limits in the protocol were placed on the development, production, transfer or stockpiling of such weapons. True, the use of chemical warfare was prohibited, but little else was done to ensure that the states would not engage their public and private might in the projection of these weapons of horror.

After World War II, the public agenda geared to curb chemical warfare was crowded off by the nuclear scare which so obsessed and preoccupied Western leadership. It was not until 1968 that chemical and bacteriological weapons were even placed back on the agenda of the United Nations Conference on Disarmament in Geneva. Finally, in 1972, a biological weapons convention was adopted and opened for signature. However, negotiations on chemical weapons lagged behind.

Twenty years later, in 1992, after a decade of complex and painstaking negotiations, the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction was adopted.

This startling new form of treaty, this pre-emptive strike against these inhumane weapons, will be administered by the Organization for the Prohibition of Chemical Weapons in The Hague. Unfortunately, it took the horror of chemical warfare in the late 1980s, through Iraq's use of these weapons against Iran, and through Iraq's use of these weapons against its own Kurdish population, which we all saw displayed on TV, to push and shove chemical warfare back to the top of the public agenda.

With the advent of the Persian Gulf War, a fresh sense of urgency crystallized, convincing the international community to finally complete and implement a global chemical weapons ban. On January 13, 1993, the convention was opened for signature in Paris. Canada, along with 130 other nations, signed the treaty. The convention, however, comes into force after ratification. Sadly, as of May 1995, fewer than 30 nations had filed notice of ratification with the UN Secretary General.

Canada must lead the way. Canada has a long and grand record of quiet, painstaking, intensive, diplomatic efforts to limit chemical weaponry, dating back to our ratification of the 1925 Geneva Protocol. Canada has participated in negotiations from the outset. Over the years, our governments have made a number of useful and important contributions.

Canada's special interest has been verification, which obviously involved the most crucial and significant aspects of the convention. Canada has submitted working papers, instigated meetings, and commenced trial inspections to investigate and resolve verification issues. In 1991, Canada co-sponsored two resolutions at the United Nations General Assembly, both of which were adopted by consensus.

The convention represents an unprecedented advance for the cause of disarmament and world peace. It is a startling, historic document for a variety of reasons. Let me list just a few: It is the first disarmament agreement to be negotiated within a multilateral framework; it is the first treaty to be implemented under universally applied international control; it is the first treaty that will lead to the elimination of an entire category of weapons of mass destruction; it is the first disarmament agreement in history wherein major obligations also fall upon the private industry.

Like God, the genius of this convention lies deep in its detail, down in the detailed provisions for the destruction of weapons and the facilities within time lines, all under the scope of intrusive verification. There is a comprehensive regime within the convention for monitoring the chemical industry through declarations and inspections. Each signatory state must establish a national authority to liaise with the international organization in The Hague. The practical work is supported by a technical secretariat, alive and armed with information-gathering powers and penalties for non-compliance. Detailed lists of chemicals, special investigations, regulation of trade — all of these are incorporated with great specificity.

Bill C-87 is a full faith and credit implementation of the convention as required by Article 7 of the treaty. The bill arms the federal government with the necessary authority to fully meet the requirements of the convention. This bill is unique in its unheralded support by the private sector associations, while being fully aware of the cost and burden that reporting and inspections may pose to the private sector. They have prepared enthusiastically to support these obligations.

When the chemical weapons convention finally enters into force, the frail hopes of every generation of the 20th century will have been fulfilled finally, from Canadian soldiers who suffered the horrors of mustard gas in the trenches of Ypres in World War I, an incident which is amply demonstrated and illustrated on the paintings that decorate the walls of this chamber, to the innocent men and women in northern Iraq in the recent past, to the future generations who will look back on this moment as a watershed event in global disarmament and in world history.

With the passage of this bill, Canadians will light more than a small candle against the darkness and the miseries of this decade and this century. We will ignite the hope that painstaking effort, consistency of thought and the power of purpose may yet cause the "rule of law" to emerge as the principal actor of international justice.

Honourable senators, the Prime Minister reminded us recently that next year we can celebrate the 100th anniversary of the coming to power of Sir Wilfrid Laurier. Laurier said that the 20th century belonged to Canada. The 20th century has been a disappointing century in so many ways; destructive of so many hopes and so many dreams. Yet the consistent effort of Canada's diplomacy to inculcate the principles of the rule of law in this turbulent world remains the highlight of Canadian leadership in this century. Canada can lead. Canadians can triumph.

I commend this bill to you for speedy passage.

**The Hon. the Speaker** *pro tempore*: Before recognizing any honourable senator, I should point out that according to rule 13 of the Senate, at 6 o'clock it is required that I leave the Chair and come back at 8 o'clock, unless there is agreement to ignore the clock. Is it agreed to ignore the clock?

**Hon. Senators:** Agreed.

**Hon. William M. Kelly:** Honourable senators, I am pleased to reply to the motion for second reading of Bill C-87. This is a straightforward bill and has been well presented by the sponsor.

Bill C-87 is required in order to implement Canada's obligations under the Convention on the Prohibition and the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction.

There is little need for me to repeat the detailed and excellent presentation of the sponsor. However, I want to take a few moments to give some history on the use of chemical weapons during and since the Great War.

It is particularly fitting for Canada to be an early signatory to this convention. It was against Canadian and French troops at Ypres in 1915 that a chemical weapon, namely mustard gas, was first used in warfare. I note with pride that regardless of the casualties inflicted, the Canadian lines at that time held. French lines to the right of the Canadian position broke, and the troops bolted.

Mustard gas subsequently became a feature in the war, and was used regularly by all combatant nations. In 1925, the Geneva Protocol banned the first use of chemical weapons in war. However, several countries continued to develop and stockpile chemical weapons to use as a second-strike capability. Mussolini used chemical weapons in the Abyssinian campaign in 1938, leading many to conclude that chemical weaponry would be a major aspect of any war with the Axis powers.

As a consequence, U.S., Britain, France, and several other countries hastened to produce and stockpile a range of chemical weapons and a sophisticated delivery system.

• (1800)

Canada was one of the leaders in the development of chemical weapons and protection mechanisms; gas masks and the like. Canadian research and development took place primarily at McGill University, the National Research Council and the Suffield test centre at Medicine Hat, Alberta.

By the time the U.S. entered the war after Pearl Harbour, it had a huge inventory; tens of thousands of tonnes of mustard and other types of gas. Canada had also accumulated its own stockpile of chemical weapons, albeit on a much smaller scale. Remember that all of these stockpiles were created as defensive measures. I am reliably informed that Canada began to dispose of its arsenal some time ago, incidentally, and no longer has any chemical weapons on hand.

Ironically, Adolf Hitler, because of his own experience with gas as a German corporal in the trenches in World War I, refused to authorize German forces to use gas in any theatres during World War II. Winston Churchill, on the other hand, seriously considered using chemical weapons to forestall the advance of German forces against the British Expeditionary Force in Western Europe during the early days of the war. He asked his chiefs of staff to develop a plan for their use in the event of the invasion of the British Isles, and considered their use to clear the beachheads for the Normandy invasion.

During the latter stages of the Pacific war, the United States considered chemical weapons to speed the process of clearing Japanese troops from the islands they held across the South Pacific. Canada, and specifically the National Research Council, did everything in its power to dissuade the Americans from doing so, and the idea was dropped.

More recently, chemical weapons have been used in the Iran-Iraq war, as Senator Grafstein pointed out, and by Iraq against its own Kurdish population. The same chemical — Sarin — used by Iraq, was released against Japanese civilians a few months ago by a Japanese terrorist organization, adding a new weapon of horror to the terrorist arsenal.

Negotiations toward the convention began in 1983 through a committee chaired by a Canadian official, Ambassador Donald McPhail. The complex and arduous negotiations were completed in late 1992 and the convention was opened for signature in Paris in January, 1993. As has been said, 130 states have signed the convention. Obviously, the convention that this bill is designed to implement is a huge leap forward. Senator Grafstein very thoroughly covered the contents of the bill and I will not repeat what he said.

Honourable senators, no convention is perfect, especially one which deals with a highly technical area and has been the subject of complex negotiations for well over a decade. It is lamentable that certain states have not signed the convention; states such as Iraq, Libya and North Korea. Not surprisingly, these are the renegade states which are most likely to resort to chemical weapons.

Many countries will have difficulty disposing of their stockpiles of chemical weapons and their manufacturing facilities. The cost of doing so is staggering. It costs roughly ten times as much to dispose of weapons and manufacturers as it does to set them up, if long-term environmental problems are to be avoided.

I understand that the United States estimates the cost of safe disposal of their arsenal to be in the range of $8 billion. Russia is estimated to have 40,000 to 60,000 tonnes of substances of which the convention requires them to dispose. Given the current financial state of Russia, one wonders how quickly or how safely the job will be done. Doubtless, the international community will be asked to provide financial and perhaps technical assistance. The convention refers to sanctions which apply to states that do not abide by their commitments under the convention, but does not detail what those sanctions might be or how they might be enforced.

In view of the experience in Bosnia and Somalia, one wonders if the UN could ever mount and maintain effective sanctions.

Further, the convention will not stop terrorist groups from using chemical weapons, although it would be increasingly difficult for such groups to obtain them. Speaking personally, I worry about the percentage of some countries' disposal programs, which may include sales to terrorist groups, thus converting costly disposal into opportunities to earn hard currency, but that is a concern which perhaps only I have.

Notwithstanding these reservations, Bill C-87 represents a huge step toward a more decent and humane world free from the threat of weapons of terror and mass destruction. I congratulate those who have done the work toward the convention, and subsequently this bill, over the past decade. I congratulate both this and the previous government for their initiative and determination in pushing this measure forward.

Honourable senators, I believe this bill deserves our full support.

[*Translation*]

**Hon. Marcel Prud'homme:** Honourable senators, I did not think that, at this somewhat late time, we would review this very important legislation.

I want to say that good things do happen in the Senate. It is very rare that honourable senators can celebrate their birthday on the same day, but there are three today.

First, there is our former Speaker, Senator Charbonneau, whom I really like. He is not here today, but it is his birthday. Then there is the Honourable Senator Simard, who is here and who is also celebrating his birthday.

Finally, how could I not mention that today is also the birthday of the former vice-president of the Quebec Liberal caucus, with whom I worked very closely for at least some 20 years, and who is now the chief government whip? I am referring of course to Senator Hébert, who is also celebrating his birthday today. I invite the honourable senators to join me in wishing all three a very good end of day. Congratulations to the two honourable senators who are here with us.

Now coming back to this bill—

[*English*]

— I will be very brief. I strongly support this bill.

I wish to draw to the attention of members who may be interested a fascinating debate which took place in the House of Commons on June 19. I was extremely impressed by a speech made by Dr. Keith Martin, Member of Parliament for Esquimalt—Juan de Fuca and a member of the Reform Party. I hope honourable senators will be curious enough to read the speech. It was of the same tenor as the speeches made earlier in this debate by Senators Kelly and Grafstein. Dr. Martin's speech is evidence that there are people in all parties who are highly devoted to these types of issues.

I have been studying the Middle East for 30 years. Politically, I was totally destroyed by that. I was pushed around politically, intimidated politically and threatened politically. I wish to put that on record for the first time. Now that I know the rules of the Senate a little better, I will some day give notice that I shall draw to the attention of the Senate the true situation in the Middle East.

I was in Lebanon two weeks ago. That was my second visit to Lebanon since January. Lebanon is a fascinating country which is getting back on its feet. There are unbelievable parallels there with Canada. Instead of a multicultural country, they have multi-confessions. They have 17 confessions. There are the Maronites, 11 Christian confessions, 5 Muslim and the Jewish faith. They are trying to build a country next to countries which do not like multi-ethnicity or multi-religions. I include every country in the region.

• (1810)

I know it is fascinating for honourable senators to win a debate. I am totally unprepared, but I will try to put some views forward for future reference and debate.

I had occasion to meet someone in Lebanon who said that, with my great interest, I should read a book entitled, *Profits of War: Inside the Secret U.S.-Israeli Arms Network*, by Mr. Ari Ben-Menashe. By the way, that person called me today. I had met this man who came from Montreal, but he gave that book to someone in Lebanon, who offered it to me. If honourable senators read that book and do not feel ill, there is nothing on earth that could offend them. It describes the underground and peddlers of arms who do not care what they sell, or to whom they sell it.

The "whipping boys" of the Americans, and some others, are terrorists in Libya and Iraq, and now in Iran. Yesterday, I met with the Iranian ambassador and had a long discussion. I know some senators will meet with him tonight. I do not see why we should not put that on the record. I will not mention names, only my own.

I want to suggest that we go to the root of the problem and find out who has sold chemical weapons. Who produced chemical weapons in Iraq, which were then used against Iranians or against their own people? Who produced those chemicals? Where do they come from in Latin America? Do they come via the CIA? We must read about that, and not be intimidated to speak out loudly and clearly, because if we want to have sanity on earth, the time has come to call a spade a spade. These peddlers of arms turn around and use our men. I remember that.

I do not want to debate the Iraq-Kuwait situation again. For many years, Iraq was well liked by the United States, espeially when it was useful in its fight against Iran. If anyone wishes to read my speeches of the past, I would be more than willing to provide copies. They are not great pieces of literature, but they are quite accurate. Who created the monster that did so much damage in Kuwait? Who used chemical arms against his own people, against his neighbour? Who, today, is still holding 690 missing persons from Kuwait?

There are so many people missing from Cyprus that a committee was formed. I hope to eventually suggest that there should be a committee to look into the issue of those people who are missing from Kuwait.

I am very concerned about the issue we are debating. It is a great step forward, as Senator Kelly said. I would say to Senator Grafstein that I totally disagree with his views on the Middle East. That fact is well known, and I do not see why I should hide it. However, I agree with his views on this bill. However, it is not enough. We have to talk about what creates instability in the Middle East and those people who believe in the balance of terror.

Recently, I was asked to see my friends in certain countries and beg them to sign the non-proliferation treaty on nuclear arms. What do we do with those who do not sign? All of that is a non-subject and one does not talk about it. There are those who may be set free by not signing, such as Iran, India or Pakistan. We trade very happily with those countries and do not pressure them.

Everyone knows that the element that creates instability in the Middle East is the fact that Israel is in possession of nuclear arms. I was destroyed for saying that 20 years ago, 15 years ago, 10 years ago, and today they still will not admit that they have them. We do not say a word, and they do not sign. We pressure Lebanon to sign, we pressure Egypt to sign, and we pressure everyone else to sign the treaty, but we do not put any pressure on those who possess those arms.

Who was in at the beginning of that new race? Many countries, including Libya, say "The Israelis have them, so we want them." The same process took place in 1945, when the Soviet Union said that the United States had nuclear arms and that they also wanted them. Then the United States discovered that the Soviet Union had nuclear arms and said that it needed bigger nuclear arms. Then the Soviet Union wanted bigger arms. From bigger to bigger yet, we arrived at a time when there were 30,000 possibilities to destroy Planet Earth. There was total craziness because of that race, and the same race is again taking place.

I can draw the same conclusion in the Middle East: "You have it, I want it." Who is helping those who say, "I want it too"? We should do some soul-searching. Canada may not be part of it, but certainly the United States is. Eisenhower said in one of his last speeches that the greatest danger to world peace was the immense danger of the military industrial complex. That is a great danger because of the need to produce arms. These arms must be used on infrastructure so that infrastructure can be rebuilt. If infrastructure is rebuilt, it must be destroyed by the most sophisticated arms in order to fabricate more sophisticated arms. That is craziness.

If this bill brings a little sanity, I am more than willing to support it. I am more than willing to pay homage to those who worked faithfully to put it forward. I am more than willing to give total agreement to both senators who introduced it in the Senate.

In the spirit of rapprochement, may I suggest that honourable senators read the speech of Mr. Keith Martin from British Columbia. He is probably English-speaking and I am French-speaking from Quebec, but perhaps I can help him and the unity of Canada by drawing the attention of honourable senators to that speech. He went further, and said that the next step should be to start looking into the peddlers of arms who are at the disposal of anyone.

We should also look at what is happening in Croatia. Recently, I travelled to Albania and heard who is selling arms. Who are the peddlers of the small arms and bombs that cause so much damage to citizens and maim people? They are available by the millions in certain countries in the world. Who is producing them? I certainly wish to tell Mr. Martin that I will give him absolute support.

If we want a sane planet, we must address every question. We must be unafraid to talk about those who refuse to sign the non-proliferation treaty on nuclear arms and then tell us to our face that they do not have them. How can I stand here and say that I believe them? I do not. They create instability in one part of the world. They create immense instability between Pakistan and India. The peddlers of those arms know what they are selling. Where do they come from?

I suggest honourable senators read some of those books. They are very enlightening because of the names that are mentioned and the events that are described. I am a curious man. I do not take anything for granted, and I am sure that my Liberal colleagues know me.

• (1820)

[*Translation*]

I am a French–Canadian and, being of both Breton and Norman ancestry, I am very suspicious and equally stubborn.

[*English*]

However, I totally support this bill. I hope it is only the first step toward more study of the peddling of small arms, which creates so much instability in many places of the world at the moment. Nuclear arms should also be studied, because the Senate could help bring more sanity to our planet.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker** *pro tempore*: Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Foreign Affairs.

## INCOME TAX ACT

BILL TO AMEND—SECOND READING

**Hon. Céline Hervieux-Payette** moved the second reading of Bill C-70, to amend the Income Tax Act, the Income Tax Application Rules and related acts.

She said: Honourable senators, I rise to seek your support for Bill C-70, to amend the Income Tax Act. This bill will implement a number of measures introduced in the 1994 budget. It also implements a number of other measures announced by the government during the course of last year.

The dual goals of this bill are deficit reduction and enhanced tax system fairness. These are objectives that Canadians clearly want their government to pursue. They are the principles that have guided this government, and it has worked to restrain its spending.

Instead of imposing general tax hikes on Canadians in 1994, this government took direct aim at unsustainable tax preferences in its budget plan. With regard to the corporate tax regime, the 1994 budget sought to ensure that corporations paid their fair share of the tax revenues needed to fund government programs and to prevent certain businesses or sectors from taking undue advantage of certain tax provisions.

Accordingly, the 1994 budget proposed a number of measures to the rules governing the taxation of business income, designed to increase tax fairness and ultimately improve the competitive position of Canadian business. Bill C-70 is a key component of the measures that were taken.

One of the key issues with which Bill C-70 deals is the tax treatment of debt forgiveness and foreclosures. Under the old provisions of the Income Tax Act, many transactions involving the settlement of debt were not recognized in any meaningful way for income tax purposes. The new rules provide a comprehensive basis to deal with debt settlement. In general, they provide that forgiven debt amounts will be applied to loss carry-forwards and expenses, or partially included in the debtor's income. There are special rules contained in Bill C-70 that minimize any undue hardship from the new rules regarding debt forgiveness.

Another key area with which Bill C-70 deals is how it changes the rules regarding the tax treatment of securities held by financial institutions. Until now, the Income Tax Act has not provided specific rules regarding the tax treatment of such securities. The measures proposed in this bill seek to reduce uncertainty in this regard, and also to ensure that the income derived from such securities is measured appropriately.

The amendments provide that certain securities will be marked for market. This means that the appreciation or depreciation in the value of securities held by financial institutions will be recognized in each year instead of on disposition. To be fair, the amendments include a transitional rule that allows increases in income resulting from the new rules to be spread over five years, and the new measures are only effective after February 21, 1994.

In addition, Bill C-70 provides new rules for debt securities that are not required to be marked for market. These rules deal with the measurement of income while the securities are held, and the treatment of gains and losses on disposition.

A large part of Bill C-70 deals with reforming the rules in the ITA regarding foreign affiliates. Bill C-70 amends the rules for the taxation of resident shareholders of foreign affiliates. The changes expand the categories of income of foreign affiliates which must be reported as income of their Canadian affiliates. They also prevent the use of a foreign affiliate's active business losses to reduce Canadian shareholders' income. This last change protects the Canadian tax base.

These three measures that I have just described all flow directly from the 1994 budget. Bill C-70, however, also contains other tax changes announced during subsequent months. The key changes in this category include changes to how funeral arrangements, real estate trust and mutual trust are taxed. In addition, Bill C-70 proposes new rules to speed the resolution of tax objections and tax appeals, particularly by large corporations, and it deals with the rules regarding dividend compensation payments.

Briefly, under the heading of "funeral arrangements", Bill C-70 addresses the issue of eligible prepaid funeral and cemetery arrangements. Under this legislation, individuals making such arrangements would not have to declare interest on the deposits up to a $15,000 maximum contribution as income, provided the deposit is not withdrawn for other purposes. The provider of eligible funeral and cemetery arrangements is, however, required to include in income the full amount received from an eligible arrangement.

Under the heading "real estate trusts", Bill C-70 proposes that real estate trusts with publicly traded units be allowed to qualify as mutual fund trusts. This measure will assist the real estate sector in expanding the available methods of financing real estate.

Under the heading of "mutual trusts", Bill C-70 seeks to help mutual funds reduce overhead costs and improve service to investors. These amendments allow mutual fund corporations to convert to mutual fund trusts on a tax-free basis and also allow tax-free mergers of mutual fund trusts.

Significantly, under the heading "objections and appeals", Bill C-70 proposes new rules to speed the resolution of tax objections and tax appeals. Under Bill C-70, large corporations will now have to specify the issues under dispute, the amount of relief sought, and the facts and reasons for objecting.

The rules also limit the ability of large corporations to raise new issues in a notice of objection where the objection relates to a reconsideration of an assessment. However, new issues raised by Revenue Canada on such reconsiderations may still give rise to notice of objection. In addition, this legislation will ensure that the new requirements relating to notices of objection will not apply to assessments which have been appealed to court before this legislation receives Royal Assent.

The final measure I wish to highlight in Bill C-70 deals with the tax treatment of dividend compensation payments and other amounts connected with securities lending. The Income Tax Act currently provides that the lender of securities not be treated as having disposed of the security under these arrangements. As well, payments to the lender as compensation for dividends are treated as dividends in the lender's hands.

• (1830)

While these dividend compensation payments are generally not tax deductible, a special rule established in 1989 allows securities dealers to deduct two-thirds of such payments.

This legislation extends the use of the two-thirds rule, thus ensuring that our securities industry remains competitive. The deduction of these payments will be somewhat limited, but it is the government's intention to monitor these measures to make certain that they operate effectively. Other changes clarify the effects of certain dividend rental arrangements and the meaning of securities dealers registered or licensed to trade in securities for purposes of the Income Tax Act.

In closing, let me express my confidence that any objective appraisal will confirm that Bill C-70 amends the Income Tax Act effectively and equitably. It clearly aims at targeting tax assistance to certain business sectors on a more efficient basis while, at the same time, broadening the tax base.

This is an important step in sustaining government revenues, so that our deficit-reduction goals can and will be met. The legislation contained in this bill also clarifies a number of important issues related to the act. In considering the measures before us, I have no hesitation in encouraging all my honourable colleagues to support this bill.

[*Translation*]

**Hon. Jean-Maurice Simard:** Honourable senators, as the honourable senator who moved the second reading of the bill indicated, this bill is coming to us late in the day. I guess it is better late than never. In fact, it arises from measures announced in the 1994 budget.

Unfortunately, this is another bill that will not be given due consideration, for it was referred to us in the past few days, as the session draws to a close, along with several other bills.

All the same, I hope that the Banking, Trade and Commerce Committee will review it. As I will explain later, this is not so much a routine bill as one that will have the effect of consolidating considerable revenues, certainly much more considerable than what the government seems ready to admit at present. I will give you some examples in a moment.

The bill contains measures arising from the 1994 budget that were not covered by an earlier bill, namely last year's Bill C-59.

[*English*]

Yes, Bill C-70 deals with other changes announced in 1994, unrelated to the 1994 budget, such as prepaid funerals, real estate investment trusts, mutual fund reorganization, income tax objection and appeals, and security lending. I will limit my intervention to some of the substantive changes found in this bill and their effects on the revenue of government.

Bill C-70 pertains to measures taken in the infamous 1994 budget — infamous because, on the expenditure side, the government did not do what was expected and, therefore, the budget is "well thought of" as a lost opportunity in terms of getting an early handle on controlling the deficit and the debt.

Despite the failures inherent in the 1994 budget, the substantive budget measures found in this bill include debt forgiveness following failures in financial institutions, as mentioned by the sponsor of the bill.

Let us deal first with the so-called housekeeping measures. Yes, Bill C-70 tackles the tax rules which apply when debt is settled by forgiveness or foreclosure. Yes, this bill expands the classes of foreign-affiliate income which Canadian shareholders must report. Last, this bill makes several changes to the rules concerning securities held by financial institutions. For example, such a firm will now report gains and losses in securities held in the ordinary course of business on their income, rather than on their capital account, and report profits and losses on certain securities on a market-to-market basis.

Thus, honourable senators, as you can see, Bill C-70 is such that it may be considered a housekeeping bill by some. In fact, it will not surprise many in this chamber to learn that the minister himself appears to regard this bill as such. It is his way of having Canadians swallow the pill without feeling the effects immediately.

However, I and other Canadians are interested to know what tax revenue implications will result from this Bill C-70 becoming law. Undoubtedly, the good investigative work of the Standing Senate Committee on Banking, Trade and Commerce will reveal the extent of increased tax revenue resulting from this bill, and the truth will come out.

I am sure many of my colleagues on the government side are of the mind that their government holds the line on taxes. I beg to differ. Taxes are clearly rising under this Liberal government. Bill C-70 is taking us in that direction.

Fellow senators, let us not forget that the combined effect of the 1994-1995 budget was to raise personal, business and sales taxes by more than $3 billion per year. We are back to the infamous Liberal years, "tax and spend" years.

Today, taxpayers in some provinces pay an unfortunate combined rate of federal-provincial personal income tax, as high as 54 per cent. Since October 1993, taxpayers have witnessed the elimination of the $100,000 lifetime capital gain exemption, the effect of which is most severe on seniors, many of whom will not receive their old-age supplement in this new tax year because this government required that they report their capital gains as income without having actually disposed of the asset in order to use the now-eliminated capital gains exemption.

What further tax grab have taxpayers witnessed since this government took office? This Liberal government has reduced the age credit for seniors with incomes above $26,000. This Liberal government has eliminated the exemption for employer-provided life insurance benefits.

I read the fiscal part of the Red Book as recently as last week. These new taxes and lost exemptions were not to be found in that Red Book. Many Canadians say that this Red Book is outdated. They are almost begging, at least in New Brunswick, for the 1995-96 version of the Red Book because the other one is obsolete.

I hope the government and senators on the other side will urge Mr. Chrétien to send to print the new Red Book, which I am sure is even now circulating on the benches of ministers in the other place and in other circles.

I am not in the mood for kidding or laughing because this is a serious matter. We see examples every day of $200,000 and $300,000 expenditure programs. These are expenditure programs that are dreamed up, announced or implemented by civil servants or ministers, programs for which there is no need. I suspect ministers on the government side do not know the magnitude of the deficit or the problems associated with having such a high deficit.

• (1840)

I wish civil servants, ministers, Liberal members and senators would bring to the attention of the Prime Minister the fact that every $200,000 program which is not needed is money wasted. They all add up. If they were to do this, then, perhaps, they would not have to resort to measures to do away with the $26,000 tax limit which applies to senior citizens.

We are all in this together, honourable senators. Canadians have been asked to make sacrifices for the last three to four years. They know that they will have to make more sacrifices for the next three to four years. Yet, we have people in the Liberal government who keep dreaming up, announcing and implementing programs galore. They say, "It will only cost $100,000," or, "It will only cost $200,000."

I am aware of one program which will see two plaques placed on a wall, which plaques show the names of the members of Parliament and senators since Confederation. The government says that it will only cost $180,000. We do not need that kind of expenditure.

I wish all of us would ensure that the government follows the Red Book, or that it writes a new Red Book. After all, the Red Book advocates lower taxes and lower expenditures, depending on the real needs of Canadians.

The Liberal government has eliminated the exemption of employer-provided life insurance benefits. It has increased excise taxes on gasoline by 1.5 cents per litre. For those Canadians who choose to fly rather than drive, the government has increased taxes on airplane tickets.

As for increases for businesses and corporations, this Liberal government reduced the deduction for meals and entertainment from 80 per cent to 50 per cent of costs. That was a good measure. However, our business people have to compete with business people from other countries. They must think about this measure. Perhaps there was another way to deal with those expenses. Certainly, this measure, although it has a good side to it, places Canadian businessmen at a comparative disadvantage with other countries competing for the limited number of businesses and corporations looking to set up business or relocate in Canada.

This Liberal government has reduced tax incentives for regional investment. Write-offs for pollution reduction equipment have been lowered, something which appears to go against the global trend to encourage investment in such equipment.

Businesses and corporations have witnessed increases in the large corporations tax, capital tax and corporate surtax, which are driving a further competitive wedge between Canada and other trading nations.

In closing, this Liberal government in its recent budget is discouraging entrepreneurs by changing the tax reporting of self-employed individuals, many of whom are Canada's ticket to the information age.

As demonstrated, this Liberal government cannot claim that this bill is revenue neutral. No, this is not a routine bill. This is a bill that will generate revenues — too much revenue. However, as I said, I encourage senators to conduct a proper assessment of this bill when it is referred to the Banking Committee. If we cannot finish the job for next week, then we can always come back in October and deal with it. After all, we have waited for it since the spring of 1994. We can wait until the fall of 1995.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker** *pro tempore*: Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

## CANADIAN DAIRY COMMISSION ACT

BILL TO AMEND—SECOND READING

**Hon. Dan Hays** moved the second reading of Bill C-86, to amend the Canadian Dairy Commission Act.

He said: Honourable senators, this is a somewhat technical bill which is necessary at this time to comply with our trade obligations, specifically those that we have entered into in the new GATT-WTO agreement.

Given that strict international deadlines are involved in the issue being addressed by these amendments in Bill C-86, it is important that we expedite our discussions and, if at all possible, expedite the passage of this bill for reasons that I will explain.

In just over one month, Canada will no longer be permitted to export dairy products or products containing dairy ingredients to the United States, if the price of those products has been supported by producer levies or other forms of export subsidies. By the year 2000, this prohibition under both the NAFTA and the WTO, which replaced the GATT at the beginning of this year, will also apply to other world destinations.

[*Translation*]

Honourable senators, these exports are very important to our dairy industry. Producing these cheeses, bakery products, confectionery products, and other products that could be affected starting on August 1 provides employment for thousands of Canadians across the country. The aggregate value of milk production in Canada contributes $8 billion to the economy each year.

At present, Canadian milk, dairy products and products containing dairy ingredients are marketed in Canada or elsewhere according to a very fair, well-defined and proven system which was developed by our dairy industry over the years. Bill C-86 will introduce a new approach to price setting and the pooling system of market returns, which will offer similar advantages. These, too, were developed by the dairy industry.

[*English*]

• (1850)

National representatives of Canada's 26,000 dairy farmers and some 300 dairy processors and marketers appeared before the Commons Standing Committee on Agriculture and Agri-food recently to clearly express their strong support for Bill C-86. Without impinging on current provincial jurisdiction or involving any cost to governments, Bill C-86 provides the federal legislative authority needed to allow the Canadian Dairy Commission to continue to work in Canada with the provincial milk marketing boards and agencies. Through their cooperative effort, a new national milk pricing system, with the pooling of producer market returns from different classes of milk use, will be put in place.

This new approach fully conforms with our trade commitments under the NAFTA and WTO agreements. Through the new system, the Canadian dairy industry can continue to supply and possibly expand its export and domestic markets for dairy products and products containing dairy ingredients while maintaining the equity which is a large part of the current supply management regime.

Under the current system, levies on every litre of milk produced in every province except Newfoundland are collected from milk producers by provincial marketing boards and agencies and remitted to the Canadian Dairy Commission. Always considered a necessary part of managing the milk marketing system in Canada as a whole, the dairy sector wishes to retain the principle of equity which has been achieved through the levy system. This wish is clearly reflected in the new pricing and pooling approach which emerged from the intensive consultations and negotiations among dairy stakeholders undertaken over the past two years, and which is enabled by Bill C-86.

Bill C-86 will allow the replication of the levy system as it applies to milk marketed in inter-provincial and export trade. Special milk classes will be created, and prices set at competitive levels according to the end use of the milk. Bill C-86 also enables the Canadian Dairy Commission to recover pooling administration costs from the funds generated by the pool itself, establish a special bank account to deal solely with producer monies entering and leaving the pool, allow the commission to return any excess fees or levied funds to producers, permit the commission to establish a line of credit to ensure continuity of producer payments, and finally, strengthen the enforcement provisions of the act.

The authorities provided to the Canadian Dairy Commission by Bill C-86 do not represent any erosion of federal or provincial powers. They allow the dovetailing of federal and provincial authorities needed for the implementation of an industry-sponsored and industry-funded new system. This system will help the Canadian dairy industry to successfully face the stiff competition ahead in the new international trading world.

Honourable senators, I urge you to add your support to this commendable industry-driven initiative.

**Hon. Eileen Rossiter:** Honourable senators, I rise to express the support of this side of the house for Bill C-86, which will allow the Canadian Dairy Commission to implement a national pooling system of market returns from exports of milk and dairy products.

There are two milk markets in Canada: fluid and industrial milk. Fluid milk is table milk and fresh cream. This is an area of strictly provincial jurisdiction. Industrial milk, which is used for dairy products such as yoghurt, ice cream, butter and cheese, is marketed jointly by federal and provincial governments under the National Milk Marketing Plan. This plan is based on supply management; that is, supply and demand — supply being domestic production and demand being domestic consumption. The balance is achieved through allocated Market Sharing Quota, or MSQ, to each province.

Producers receive a target price based on a cost of production formula for industrial milk produced under the MSQ and sold on the domestic market. However, they must cover the cost of exporting at world competitive prices dairy products not required for domestic consumption. At the present time, those export costs are shared by producers across Canada through levies deducted by the provincial boards from payments to producers and remitted to the Canadian Dairy Commission.

The levies are also used to provide rebates to further processors of products containing dairy ingredients. For example, companies such as Hershey or McCain use dairy ingredients in their chocolate and pizza products, and rely on obtaining them at world price levels in order to compete both on the export market and against imports on the domestic market.

These levies are now considered export subsidies under the WTO. This bill provides the necessary legislative authority for the Canadian Dairy Commission, in cooperation with the provinces, to replace the levy system with a new national pooling system of market returns.

We are pleased to support this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker** *pro tempore*: When shall this bill be read a third time?

On motion of Senator Hays, bill referred to the Standing Senate Committee on Agriculture and Forestry.

## CODE OF CONDUCT

MOTION TO APPOINT SPECIAL JOINT COMMITTEE— DEBATE ADJOURNED

**Hon. Richard J. Stanbury**, for Senator Joyce Fairbairn, moved:

That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of the Senate and the House of Commons to develop a Code of Conduct to guide Senators and Members of the House of Commons in reconciling their official responsibilities with their personal interests, including their dealings with lobbyists;

That seven Members of the Senate and fourteen Members of the House of Commons be Members of the Committee;

That the Committee be directed to consult broadly and review the approaches taken with respect to these issues in Canada and in other jurisdictions with comparable systems of government;

That the Committee have the power to sit during sittings and adjournments of the Senate;

That the Committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff;

That the quorum of the Committee be eleven Members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented, and that the Joint Chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six Members are present, so long as both Houses are represented;

That the Committee be empowered to appoint, from among its Members, such sub-committees as may be deemed advisable, and to delegate to such sub-committees all or any of its power, except the power to report to the Senate and House of Commons;

That the Committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That the Committee present its final report no later than October 31, 1995;

That, notwithstanding usual practices of this House, if the Senate is not sitting when the final report of the Committee is completed, the report may be deposited with the Clerk of the Senate and it shall thereupon be deemed to have been presented to the Senate; and

That a Message be sent to the House of Commons to acquaint that House accordingly.

• (1900)

He said: Honourable senators, we have all been aware for some time of the need to restore public confidence in the institutions of government. One of the ways in which successive governments have tried to do so is through establishment of behavioral codes for public officials and parliamentarians. Each successive Prime Minister, including Prime Minister Chrétien, has refined the conflict of interest code for public office holders, but we have not yet been able to adopt a satisfactory code of conduct for parliamentarians, that is, senators and members of the House of Commons who are not public office holders.

The significant changes made already by Prime Minister Chrétien to the code for public office holders are the extension of the conflict rules to the families of the public office holders, the appointment of an ethics counsellor and the transferring of responsibility for the administration of the code and the new Lobbyist Registration Act to the ethics counsellor.

If we adopt this motion, the task of developing a code of conduct for senators and members of the House of Commons will fall to a special joint Senate and Commons committee made up of 14 members of the House of Commons and seven members of this honourable house. The members of this joint committee will be asked to develop a code, to suggest a mechanism and perhaps an officer responsible for its administration, to develop sanctions for breaches of rules of the code and to suggest how such sanctions should be enforced. The committee will have the benefit of the work of a joint committee set up by the previous government in 1992. That committee was instructed to draft legislation to deal with the whole area of conflict of interest among all parliamentarians and other public office holders.

I had the honour of being the Senate co-chairman of that committee. Donald Blenkarn, MP, was the Commons co-chairman. A number of other people here were on that committee. Some were amazed that we were able to report with all-party unanimity. Indeed we did so, and we presented the government with a bill as part of that unanimous report. However, the government of that day did not find the committee's bill entirely acceptable. It drafted another bill which the committee found unacceptable, and the whole legislative effort died on the Order Paper with the dissolution of Parliament.

This new effort should be more productive. Its mandate is more limited in scope because some steps have already been taken by the Prime Minister to strengthen the conflict code for public office holders, an ethics counsellor has been appointed and responsibilities under the Lobbyists Registration Act have been integrated into the system.

There are new political parties in the House of Commons, so it will be necessary to form a new consensus as to the behaviour concerning potential conflicts of interest to be expected of ourselves and our colleagues. I am personally delighted to see this initiative resumed so promptly in this Parliament. There should be no difficulty in reaching consensus in good time for passage of the resulting legislation during this 35th Parliament. The joint committee is to report to both Houses by October 31, 1995. Since this is a motion which affects us all equally, I urge you, honourable senators, to give this motion all-party support.

On motion of Senator Berntson, for Senator Oliver, debate adjourned.

## ALTERNATIVE FUELS BILL

MOTION FOR CONCURRENCE IN COMMONS AMENDMENTS—DEBATE CONCLUDED

On the Order:

Resuming the debate on the motion of the Honourable Senator Kenny, seconded by the Honourable Senator Nolin:

That the Senate concur in the amendments made by the House of Commons to Bill S-7, an Act to accelerate the use of alternative fuels for motor vehicles, without amendment; and

That a Message be sent to the House of Commons to acquaint that House accordingly.(*Honourable Senator Carney, P.C.*).

REFERRED TO COMMITTEE

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, this item was adjourned by Senator Carney. I understand that there is a desire to have the amendments sent to committee and returned expeditiously. I also understand that there has been discussion among senators opposite and Senator Carney.

Therefore, on her behalf, I move, seconded by the Honourable Senator Robertson, that the amendments be referred to the Standing Senate Committee on Energy, the Environment and Natural Resources for consideration and report.

**The Hon. the Speaker** *pro tempore*: Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

## FOREIGN AFFAIRS

### SIXTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the Sixth Report of the Standing Senate Committee on Foreign Affairs (budget—examination on the consequences of the economic integration of the European Union), presented in the Senate on 20th June, 1995.(*Honourable Senator Stewart*).

**Hon. John B. Stewart:** Honourable senators, I move the adoption of the report.

[*Translation*]

**Hon. Marcel Prud'homme:** Honourable senators, I rise on a point of order. If I am not mistaken, which I may well be, we have skipped item No. 2 under Senate Public Bills. Did we not?

**The Hon. the Speaker** *pro tempore*: Honourable senators, this is a motion to defer the report to committee.

[*English*]

Is it your pleasure, honourable senators, to adopt the motion.

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

### TWENTY-SEVENTH TO THIRTY-NINTH REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the Twenty-Seventh to Thirty-Ninth reports of the Standing Committee on Internal Economy, Budgets and Administration approving the budgets for the following committees:

27th Aboriginal Peoples

28th Agriculture and Forestry

29th Banking, Trade and Commerce

30th Energy, the Environment and Natural Resources

31st National Finance

32nd Internal Economy, Budgets and Administration

33rd Legal and Constitutional Affairs

34th Library of Parliament

35th Scrutiny of Regulations

36th Social Affairs, Science and Technology

37th Transport and Communications

38th Official Languages

39th Social Affairs, Science and Technology

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, these items are similar motions which deal with budgets for various committees. With the permission of honourable senators, we are prepared to deal with them all at once.

**The Hon. the Speaker** *pro tempore*: Is that agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Berntson:** Honourable senators, I move the adoption of these reports.

**The Hon. the Speaker** *pro tempore*: Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and reports adopted.

The Senate adjourned until tomorrow at 2:00 p.m.

# THE SENATE

**Thursday, June 22, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### CANADA COUNCIL

CLOSURE OF ART BANK

**Hon. Eymard G. Corbin:** Honourable senators, lend me your ears but for a brief moment on a subject which may be dear to your hearts or to which, to say the least, many of you are far from indifferent.

The topic I once again wish to draw to your attention is the March 1995 announcement that the Art Bank would be wound down and closed. Our colleague Senator Roux will address the larger context of the attack on culture and the arts later this day, hopefully before the proposed adjournment at six o'clock p.m.

Many senators support the Art Bank but may not be thoroughly familiar with its impact. I should like to quote briefly a few facts taken from the 1992 twentieth anniversary catalogue of the collection.

At that time, the collection was comprised of more than 12,000 works and is now comprised of 17,000. Approximately 75 per cent of the works in the collection at that time were rented or in circulation at any given time. More than 85 per cent of the collection had been rented at least once since being purchased.

Those who would want you to believe that the bank is a dud are wrong, wrong, wrong.

Besides its obligation to rent out to government departments and agencies, the Art Bank has always broadened its rental activities across Canada.

Did you know, honourable senators, again according to the 1992 commemorative catalogue, that more than two-thirds of the loan contracts and 40 per cent of the works rented are outside the national capital region? Rental clients have ranged from, for example, the Board of Education in Saskatoon to our Governor General's residence at the Citadel in Quebec City. Wouldn't it be nice to be there just now? I know for a fact, as do many of you, that Governor General Romeo LeBlanc was an ardent supporter of the Art Bank.

There have been rentals by institutions ranging from a secondary school in Chilliwack, B.C. to the Department of Supply and Services in Halifax, Nova Scotia. The list of locations is equally wide-ranging. Works of art have been rented from Whitehorse in the Yukon to St. John's in Newfoundland; from Victoria to Sudbury; from Paris to New York.

The Art Bank worked very well, honourable senators. Why are they trying to kill it when it was not broken?

The next episode will follow at the next sitting of the Senate.

In the meantime, perhaps honourable senators could join in vigorously opposing the decision to close this invaluable, made-in-Canada institution — the Art Bank of the Canada Council.

**Hon. Senators:** Hear, hear!

### THE SENATE

TIME LIMITS FOR INTERVENTIONS UNDER THE RULES

**Hon. William M. Kelly:** Honourable senators, I hope that the next few remarks will not be taken as a lecture, because they are not meant to be. However, as I will turn 70 this summer, perhaps I am entitled to give an occasional lecture.

I should like first to comment that this chamber has had a great tradition of civility and respect for one another for a long time. I see no reason why it should not continue along that path. However, something has developed in recent times that concerns me, and I should like to bring it to the attention of honourable senators.

We all remember the GST debate. Prior to that debate, in what I call "the old days", we sort of made our rules as we went along. We did not have time limits. It was really kind of nice. The GST, for better or worse, caused us to recognize that sometimes, possibly for the very best of reasons, the behaviour extended beyond the norm.

• (1410)

Happily, the feelings which existed at that time did not last long, but they did cause us to review our rules. The particular rule I wish to call to honourable senators' attention is 37(3) on page 39 of the *Rules of the Senate* which states that the sponsor of a bill and the first reply are each entitled to 45 minutes for debate. Next, rule 37(4) states that 15 minutes is the time allowed for other interventions.

Honourable senators, since that rule was agreed to and invoked, a pattern has developed in which senators who have not completed within the 15 minutes ask leave to continue his or her remarks. Initially those extensions were one to three minutes' duration.

Invariably, the Senate would grant leave. We are polite people. A senator cannot be asked to stop in mid-sentence, nor can leave be granted to finish a sentence. It does not make sense. Our habit will always be to grant leave. Now we are finding that these extensions are lasting as long as 30 to 40 minutes.

I would like to suggest three solutions to the problem: First, we harden our hearts and stick with the rules. I should hope we will not do that. Second, most senators' speeches come under the 15-minute rule and take about 15, 16 or 17 minutes. However, if the speech will take 40 to 45 minutes, generally one knows that in advance. Therefore, my suggestion is that a senator who has that problem would tell the Senate, in advance when one stands up, that the speech will take more than 15 minutes. That notice would give other senators the opportunity to state that possibly another day would be better to hear the intervention. Another option is to eliminate the rule. That is not a bad idea either. It is foolish to have a rule that we do not intend to follow exactly.

## VICTORY IN EUROPE

### FIFTIETH ANNIVERSARY CELEBRATION CEREMONIES IN NETHERLANDS—ATTENDANCE BY VETERANS

**Hon. M. Lorne Bonnell:** Honourable senators, I would like to say a few words to this chamber concerning my pilgrimage to the Netherlands with Canadian veterans in early May.

This is one of the greatest pilgrimages, and it made me proud to be a Canadian. There were a large number of organized activities in which our Canadian delegation took part. Everywhere our veterans were cheered and applauded. They were treated like the heroes they are.

A particular event I would like to bring to the attention of my honourable colleagues is the parade in Apeldoorn. I wish you could have all been there to see it; the longest parade of Canadian veterans in Europe since the end of the war. Just think, thousands of veterans, medals shining, walking through the cheering crowds, as if they were still young recruits. What a sight it was.

Canadians distinguished themselves during the war, and that was evident during that parade. The response of the crowd was overwhelming. Hundreds of thousands lined the streets to applaud our veterans and, in many cases, ran into the streets to hug them and present them with flowers. It was an event that will most likely never be seen again.

I also want to talk about the ceremony at Groesbeek Canadian War Cemetery, which contains the graves of 2,338 Canadians who died in the name of freedom. The veterans were honoured by the presence of Her Royal Highness Princess Margriet of the Netherlands. As you know, Princess Margriet's family came to Canada during the war and she was born here in Ottawa. For this and for the efforts of our troops in the liberating of the Netherlands, the royal family has always demonstrated their deep appreciation.

The Prime Minister of the Netherlands, Mr. Wim Kok, was also in attendance and thanked the Canadians profusely and eloquently.

Our Prime Minister was there, too. He spoke of this nation's appreciation of our veterans. He laid a wreath in commemoration of those who fought to liberate the Netherlands and did not return home.

Smokey Smith, a Victoria Cross recipient, participated as well in this ceremony, as did Messrs Wilford Kirk and Charly Forbes, recipients of the Willems Orde, the Netherlands' highest decoration for valour.

Honourable senators, the Dutch people truly appreciate what Canadians did for them during the war. They remember that when their country was oppressed by the Nazis and the people were starving, Canadians risked their lives to free them and to bring them hope — the hope of a better tomorrow.

During this pilgrimage and in particular during the Apeldoorn parade and Groesbeek ceremony, I witnessed and experienced some very emotional moments. Elderly women standing, cheering with tears rolling down their cheeks — reunions of long lost friends and the Dutch children greeting our veterans.

I was amazed to see how the Dutch children are so aware of the achievements of Canadians in their country. They offered them flowers, tulips among others, as a tribute to their courage. They thanked them for what they had done for their parents and grandparents. In the Netherlands, Canadians are heroes and their stories of great courage remain vivid from generation to generation.

**The Hon. the Speaker:** Honourable Senator Bonnell, I hesitate to interrupt you, but your three minutes has expired.

**Senator Bonnell:** Since Senator Kelly's new rule did not come in until today, perhaps I could read a few more pages for our veterans.

**The Hon. the Speaker:** Is leave granted?

**Hon. Senators:** Agreed.

**Senator Bonnell:** These events, honourable senators, are more than I can capture with words.

Throughout this pilgrimage, the affection the Dutch people have for Canadians was very evident. Some of you may remember that after the war, the royal family and the Dutch people gave a very special gift to Canadians. They offered them the only thing they had left — a simple flower — the tulip. Since then, every year thousands of tulip bulbs are forwarded from the Netherlands to Canada and bloom each spring in a vibrant homage to the sacrifice of those who did not return.

This year, the tulip gained a very special significance. In Nijmegen, 25 years of devoted horticulture resulted in a new breed of tulip called the "Canadian veteran". No other country in the world has ever shown so much appreciation to its liberators.

It is with great pleasure that I have learned of the possibility of sending tulip bulbs of this unique breed to all our Canadian veterans who took part in the delegation. I am certain this would bring back sweet memories for those who, like me, were given the opportunity to be part of these memorial activities.

I had the privilege to meet most of the veterans selected to join the official Canadian delegation. However, I would also like to outline the wonderful participation of other Canadian veterans who travelled to the Netherlands on their own with tour groups. They came by the thousands and greatly contributed to the success of the commemorative ceremonies.

I would like to emphasize the extensive media coverage of the Apeldoorn parade and the Groesbeek ceremony, as well as other activities that took place during this pilgrimage. Among them, the CBC coverage provided an opportunity for those veterans who were unable to return to the Netherlands and, indeed, for all Canadians to see via satellite the ceremonies commemorating the end of the war in Europe. The CBC is offering a 90-minute tape of the V-E day events, including archival footage, which can be purchased directly from the CBC at a minimal cost.

• (1420)

This pilgrimage and the ones previously organized to celebrate the fiftieth anniversary of the liberation of Italy, D-day, the Battle of the Sheldt, to name a few, came under the auspices of the Canada Remembers program. Since its inception in 1993, the objectives of that program have been to commemorate the fiftieth anniversary of major wartime events, as well as to ensure a greater awareness of the contribution of Canadians abroad and on the home front during the war.

I know that members of the Canada Remembers committee have worked hard to ensure proper commemoration. The results speak for themselves. Most important, however, is that the committee has succeeded in interesting Canadian children in their heritage. That, honourable senators, is priceless. A nation that cannot remember the actions of those who contributed to its growth is bound to repeat mistakes made in its past.

Through the activities of the Canada Remembers program, all Canadians, young and old, have had an opportunity to walk the path of history and to better understand and appreciate the contribution of previous generations to world peace.

All those who served overseas during the war deserve our praise and heartfelt thanks. Along with those who supported the war efforts at home, they contributed to a better world for you, for me, and for the generations to follow.

[ Senator Bonnell ]

I am thankful to those who did not hesitate to stand before the enemy to defend our way of life. Because of this pilgrimage, I have a deeper appreciation of our country and of our people.

[*Translation*]

## THE HONOURABLE JACQUES HÉBERT

CONGRATULATIONS ON AWARD OF LEWIS PERINBAM PRIZE

**The Hon. Jean-Louis Roux:** Honourable senators, I would like to point out that one of the most distinguished members of this serene House, who unfortunately is not here at the moment, was given a prestigious award a few days ago.

In fact, Senator Jacques Hébert, the founder of an organization called Canada World Youth, received the Lewis Perinbam Award for international development.

After 25 years of extensive travel, Senator Hébert had the idea of founding Canada World Youth. He was convinced that, through an exchange program, young Canadians and young people from developing countries could learn to work together for development and peace and that the program would encourage them to do so.

Over the last 24 years, the lives of more than 20,000 young people, half of them from Canada and the other half from developing countries, have been transformed thanks to Canada World Youth.

The award came with $2,500, which Senator Hébert, in his characteristic generosity, decided to give to Canada World Youth. He admitted that if the cheque had been for one million dollars, he might have hesitated before giving it to Canada World Youth. Regardless, on behalf of each and every member of this House, including myself, and bending the customs of the Upper House a bit, I would like to ask you, Jacques, to accept our sincerest congratulations.

[*English*]

## PEARSON AIRPORT AGREEMENTS COMMITTEE

CHANGE IN DATE OF FIRST PUBLIC HEARING

**Hon. Finlay MacDonald:** Honourable senators, recently the Special Committee of the Senate on the Pearson Airport Agreements announced that its first public hearing would be on July 4. The committee has now decided that the first public hearing will be on July 11.

## ABORIGINAL PEOPLES

PLIGHT OF LUBICON INDIANS—INTERVENTION OF WORLD COUNCIL OF CHURCHES

**Hon. A. Raynell Andreychuk:** Honourable senators, I wish to draw to your attention the fact that a group of eminent persons, under the rubric of the World Council of Churches, has made a visit to Canada to look into the plight of the Lubicon Indians. The members of that group have asked to meet with me as Chairman of the Standing Senate Committee on Aboriginal Peoples here in the Senate.

They are anxious not to intervene in the issue of the negotiations relating to the Lubicon Indian dispute. However, they are concerned that the negotiations are being delayed, and are not being dealt with expeditiously. Their concern is not so much for the leadership but rather for the plight of the individual Indians who are, in their opinion, resident in deplorable conditions at the Lubicon site.

Therefore, I would ask that the Canadian government move as quickly as possible and respect the opinions of the group of eminent persons of the World Council of Churches in order to expedite settlement of this very pressing issue.

## SASKATCHEWAN

### CONGRATULATIONS TO LIBERAL PARTY ON BECOMING OFFICIAL OPPOSITION

**Hon. John G. Bryden:** Honourable senators, I rise to extend congratulations to Lynda Haverstock and the Saskatchewan Liberal Party for — to quote from *The Globe and Mail* — having "vaulted past the Progressive Conservatives" to become the Official Opposition in Saskatchewan.

In the interests of fairness, I would also like to congratulate Conservative leader William Boyd for what the Saskatoon *Phoenix* refers to as the "Great Escape". The capture of five seats proves that the Conservative Party in Saskatchewan is not dead.

**Senator Lynch-Staunton:** Like the Liberals in Ontario.

**Senator Bryden:** It has avoided the oblivion that the party has been consigned to in my province of New Brunswick, and indeed at the federal level. Perhaps they would be better off dead and then, Lazarus-like — as happened in Ontario — they could rise at some point in the future.

At any rate, congratulations to all.

**Hon. Gerald J. Comeau:** Honourable senators, we may also wish to congratulate the national leader of the Progressive Conservative Party for his guidance, the party having reached 20 per cent in the polls today.

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# ROUTINE PROCEEDINGS

## ALTERNATIVE FUELS BILL

### REPORT OF COMMITTEE PRESENTED, PRINTED AS APPENDIX AND ADOPTED

**Hon. Pat Carney:** Honourable senators, I have the honour to present the sixteenth report of the Standing Senate Committee on Energy, the Environment and Natural Resources concerning Bill S-7, to accelerate the use of alternative fuels for motor vehicles.

I ask that the report be printed as an appendix to the *Minutes of Proceedings of the Senate* of this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

(*For text of report, see today's* Minutes of Proceedings of the Senate.)

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

**Senator Carney:** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*g*), I move that the report be adopted now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

• (1430)

## INCOME TAX ACT

### BILL TO AMEND—REPORT OF COMMITTEE

**Hon. John Sylvain**, Deputy Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Thursday, June 22, 1995

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

NINETEENTH REPORT

Your Committee, to which was referred the Bill C-70, An Act to amend the Income Tax Act, the Income Tax Application Rules and related Acts, has, in obedience to the Order of Reference of Wednesday, June 21, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

JOHN SYLVAIN
*Deputy Chairman*

### THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Céline Hervieux-Payette:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*b*), I move that the bill be read the third time now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

## ROYAL CANADIAN MINT ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-82, to amend the Royal Canadian Mint Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 57(1)(*f*), I move that the bill be placed on the Orders of the Day for second reading later this day.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill placed on the Orders of the Day for second reading later this day.

## OLD AGE SECURITY ACT
## CANADA PENSION PLAN
## CHILDREN'S SPECIAL ALLOWANCES ACT
## UNEMPLOYMENT INSURANCE ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-54, to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act, and the Unemployment Insurance Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. B. Alasdair (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 57(1)(*f*), I move that the bill be placed on the Orders of the Day for second reading later this day.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

**Hon. C. William Doody:** Honourable senators, leave has been given for second reading of Bill C-54 later this day. Have copies of that bill been distributed? I refer to amendments to the Old Age Security Act and various other acts which I think are rather important. Before we give the bill second reading later this day, we should at least have an opportunity to see the bill. I have not had an opportunity to search it out. This chamber should be a little bit more deliberate in its approach to matters such as this.

**Senator Graham:** Honourable senators, I take the admonition from Senator Doody.

**Senator Doody:** It was a request.

**Senator Graham:** I understood there had been agreement on all sides that we could proceed, with leave, to the second reading of these two bills. We will endeavour to ensure that the bills are in the possession of all honourable senators. If they are not, we shall not proceed with them today.

Motion agreed to and bill placed on the Orders of the Day for second reading later this day.

[*Translation*]

## CANADIAN NATO PARLIAMENTARY ASSOCIATION

REPORT OF 1995 SPRING SESSION TABLED

**The Hon. Pierre Claude Nolin:** Honourable senators, I have the honour of tabling the seventh report of the Canadian NATO Parliamentary Association, regarding the 1995 spring session of the North Atlantic Assembly (NATO Parliamentarians) which was held in Budapest, Hungary, from May 26 to 29, 1995.

[*English*]

## BANKING, TRADE AND COMMERCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO TABLE INTERIM REPORT ON STATE OF FINANCIAL SYSTEM IN CANADA

**Hon. John Sylvain:** Honourable senators, I give notice that on Tuesday next, June 27, 1995, I will move:

> That, notwithstanding usual practices, if during the summer adjournment the Senate is not sitting when the interim report of the Standing Senate Committee on Banking, Trade and Commerce on the state of the financial system in Canada and in particular its review of the 1992 reform legislation is completed, the report may be deposited with the Clerk of the Senate and it shall thereupon be deemed to have been presented to that Chamber.

## CIVIL JUSTICE REVIEW

NOTICE OF INQUIRY

**Hon. Anne C. Cools:** Honourable senators, pursuant to rule 56(1), 56(2) and 57(2), I give notice that I will call the attention of the Senate to the first report entitled "Civil Justice Review" on the joint review of the civil justice system in Ontario

by the Ontario Court of Justice and the Ministry of the Attorney General of Ontario, co-chaired by the Honourable Mr. Justice Robert Blair and the Assistant Deputy Attorney General, Ms Sandra Lamb, and, in particular, Chapter 16 of the report entitled, "Focus on Family Law"; and to some recent trends in the practice of civil litigation and family law, and some recent developments in matrimonial and custodial disputes; and to the use of malice, untruth, false statements under oath, and perjury, in judicial proceedings in the practice of family law.

# QUESTION PERIOD

## ELECTIONS CANADA

ELECTORAL BOUNDARIES READJUSTMENT PROCESS—TRANSMISSION OF MAPS BY CHIEF ELECTORAL OFFICER—REQUEST FOR INFORMATION

**Hon. Lowell Murray:** Honourable senators, earlier today I gave notice to the Honourable Leader of the Government in the Senate of a question I intended to ask at this time. Since I sent the notice, I have received the information I was seeking. I hope my friend has the same information. Therefore, I would ask her to place it on the record in reply to the following question.

Because Bill C-69 was not passed yesterday, the suspension of the existing boundaries process ended at midnight last night. Under the law, the Chief Electoral Officer is obliged to transmit the revised maps which are in his possession to the Speaker of the House of Commons today, and the Speaker is obliged to table those maps forthwith.

Has the Chief Electoral Officer transmitted those maps to the Speaker, and has the Speaker tabled the maps in the House of Commons?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, Senator Murray did indeed send a note to my office this morning. I believe he has more information than I have with respect to this matter.

As honourable senators will know, the Chief Electoral Officer is an independent agent of Parliament. This matter falls very much within his jurisdiction and the jurisdiction of the Speaker of the House of Commons. At the moment, I have no knowledge of whether or not those maps have been transmitted. Indeed, we may have a further indication from the Speaker of the House of Commons this afternoon.

I do not have the knowledge that Senator Murray has indicated he possesses.

**Hon. Lowell Murray:** I cannot vouch for it, honourable senators, because I have not spoken directly to either the Chief Electoral Officer or to the Speaker of the House of Commons. However, the information I received coming in to this chamber is to the effect that the maps from Elections Canada would be delivered to the Speaker of the Commons by 4 o'clock today. It is the intention of the Speaker to table them, as he is obliged to do, forthwith upon receipt.

• (1440)

## LITERACY

AUTHENTICITY OF KITS RELEASED—GOVERNMENT POSITION

**Hon. Mabel M. DeWare:** Honourable senators, my question is for the Leader of the Government in the Senate. This morning, I attempted to understand a little better all the fuss and fuddle duddle that was generated yesterday by some members in the other place with respect to the recently released literacy booklet.

**Senator Lynch-Staunton:** Watch your language!

**Senator DeWare:** After reading an article in *The Globe and Mail* and another in the *Ottawa Sun*, I called the Movement for Canadian Literacy. Unfortunately, they were unavailable, and unable to give me any indication of what all the fuss was about.

I then called the National Literacy Secretariat, and explained to the person who picked up the call that I wished to have some information on what the fuss was about. I was informed that the director general was in a meeting and would return my call later. When I asked to speak to other members of the National Literacy Secretariat, I was told they were all in a meeting. When I asked if there would be a call back, I was told that they would be in a meeting all day. Everyone at the National Literacy Secretariat will be in a meeting all day! I thought that was interesting.

With due respect, honourable senators, I must tell you that I did get a call back from the Movement for Canadian Literacy, from someone who tried to explain to me what the fuss was all about.

Literacy skills mean more than being able to read and write, or being able to cuss and curse. People with strong literacy skills are able to take full part in the economic, political and social life of this country. Literacy skills contribute to self-esteem. People who have good skills are more likely to have the confidence and the knowledge to function constructively in our increasingly complex society.

The children of people with weak literacy skills do not necessarily grow up without literacy skills, but studies suggest that if they grow up in an environment that is not conducive to learning, they are less likely to get the nurturing, support, and understanding they must have to acquire adequate literacy skills.

Perhaps the minister can assure us that the kit released on June 12 will go some way to assisting lifelong learning in people without strong literacy skills.

**Hon. Joyce Fairbairn (Leader of the Government):** I thank Senator DeWare for her question, because it is a very important question. I welcome the opportunity to answer it.

I should like to tell members of the Senate that this important project is an effort to combine the expertise of people in the criminal justice field, the crime prevention field, and the literacy field to work together for the first time in Canada at the community level, and to try to work with adults at risk.

The project was approved and signed originally by a colleague and friend of Senator DeWare's, the former Minister of Human Resources, Bernard Valcourt. It has been developed over a period of almost three years, and is under a coalition of the National Associations Active in Criminal Justice. This is a group which spans all of the important groups in this country.

If I may, I should like to read out a list of the members of this association so that senators will know the thoughtfulness, care, and expertise that have gone into the production of the documents that were released by the association in a press conference on Parliament Hill a week or so ago.

That association includes L'Association des Services de Réhabilitation social du Québec, the Canadian Association of Elizabeth Fry Societies; the Canadian Association of Native Courtworkers; the Canadian Association for Community Living; the Canadian Bar Association; the Canadian Criminal Justice Association; the Canadian Psychiatric Association; the Canadian Psychological Association; the Canadian Training Institute; the Canadian Mental Health Association; the Church Council on Justice and Corrections; the National Association of Friendship Centres; the National Association of Women and the Law; the Prison Arts Foundation; the Saint Leonard's Society of Canada; the Seventh Step Society of Canada; the John Howard Society of Canada; the Network: Interaction for Conflict Resolution; the Salvation Army Correctional and Justice Services Department; and the YMCA of Montreal.

This core group put the project together. They were assisted by almost eighty other organizations from every province represented by senators in this house: outstanding literacy groups, criminal justice groups, church groups, and seniors groups. They have all come together to provide assistance in learning and training for people at risk in the communities of this country.

There was discussion yesterday in the other place about one of the pamphlets, which indeed was produced by young people — themselves at risk — in their language and through their experience, in order for adult Canadians to understand how to help them. It was suggested that one pamphlet was being sent across the country to schools and to students, to be used in some way in the curriculum for young people.

This morning I spoke with the President of the John Howard Society of Canada. He assures me that all of the material in this kit, which is an excellent project, is being directed to the network of groups that is dealing with Canadian associations, the experts who have put this program together. It has been made available to members of Parliament on both sides.

However, it is not being distributed to schools in this country. That is not the purpose of the material. The purpose is to direct a focus in our communities, not on crime but on crime prevention, and the important place that learning and literacy holds in the development of skills and self-esteem for Canadians at risk.

Honourable senators, I have given a long answer on this question because I feel strongly about this subject. The groups and the people who have taken great care in putting this kit together are the ones who have the skill and the expertise for this kind of training, and they should be congratulated rather than condemned.

[*Translation*]

## CANADIAN HERITAGE GOVERNMENT DOCUMENTS PUBLISHED UNILINGUALLY—INFRACTION OF POLICY ON OFFICIAL LANGUAGES—GOVERNMENT POSITION

**Hon. Jean-Claude Rivest:** Honourable senators, I have a question relating to the implementation of the Official Languages Act, which is the responsibility of Minister Dupuy.

I imagine that the honourable minister is back from Budapest, and I hope he was informed that the International Olympic Committee had rendered its decision.

Yesterday, in answer to Senator Nolin, the Leader of the Government indicated that she would talk to Minister Dupuy about a guide published in English only by an organization which is subsidized by the Canadian government.

Today, we learned that there is a problem not only in the sports arena, but also in the field of science and technology. Indeed, the Museum of Science and Technology of Canada decided to publish in English only a magazine on astronomy, because of budget cuts.

I ask the question to the Leader of the Government in the Senate because, when the Minister of Canadian Heritage appeared before the official languages committee, he pledged that budget cuts would not affect in any way the implementation of the Official Languages Act, and that this was a government priority.

However, just this week, the Senate was informed of two very serious breaches of the principle of language equality in Canada. If the leader did indeed promise to talk to Minister Dupuy, I want to ask her if she told him about Senator Nolin's question and if she can approach him again — it is always a good thing to do in his case — and inform him of what is going on at the Museum of Science and Technology?

[*English*]

• (1450)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I should say to my honourable friend that I did not have an opportunity today to discuss this personally with my colleague Mr. Dupuy. However, my comments of yesterday are very much the comments of Mr. Dupuy and the Government of Canada. The honourable senator is giving news to me today on yet a second indication of a clear infraction of the Government of Canada's policy on official languages. I will be happy to take this matter up with my colleague.

Honourable senators, I think I am on strong ground, however, in saying, as I did yesterday, that any materials emanating from an organization associated with the Government of Canada must be made available in both official languages — any documents that are being relayed to the general public relating to any aspect of projects or programs. If it was relevant with regard to the Canadian Sports Guide, it is equally relevant in the document to which my honourable friend has drawn my attention. I will certainly pass that on to Mr. Dupuy. I am sure that he shares, perhaps even more vociferously than I do, the comments that I have made.

**Hon. Marcel Prud'homme:** Honourable senators, I will state my question in English — not so that people will understand, but perhaps I will say less in English than I would in French.

I am getting tired of this situation. I have been sitting in Parliament for 30 years. I wanted to speak today because I thought that it was the last day before we adjourn until next week to celebrate not what I call la fête des Québécois but la fête des Canadiens français — and I do not need a translation there. Here, again, another such event has taken place, and it should not have happened. I am not blaming Mr. Dupuy, I am talking in general here. This type of action makes you feel like using the language used in the pamphlet "Making Scenes Between the Lines". Perhaps that should be the language we should use in Canada in order to be understood.

Each minister of the Crown of Canada is a guardian. Each minister of Canada should give directives to their subordinates to remind them what Canada is all about.

I will not campaign for the referendum if they do not understand that. All of them — that is, Crown corporations and others — should understand what this country is all about. If they do not, unfortunately, there will be very few of us to preach for them.

As the Leader of the Government in the Senate, the honourable senator sits in cabinet. Please remind these people of what I have said.

I attended a meeting just a couple of days ago. Everything was in English and another language that I like but it was not French. Someone said, as a joke, "Well, everything is all right today; everything is bilingual." I do not mind wisecracks, but they must not be the official stance of that person. The minister was present, so it was a good joke. I have been taken as a joker before.

Please, let there be people who are reasonable. We are getting fewer and fewer. It is not a question of speaking both languages. One senator told me the other day that he thought I was attacking them. I do not care if a minister or senator speaks only English, as long as he or she accepts the concept of what the country is all about. I have known ministers who were perfectly bilingual but they neither accepted in their heart nor understood what this country is all about.

I have said enough for today. That is why I prefer to say it in English. In French, I think I would have shocked a lot of my colleagues.

Sometimes enough is enough. We count on the leader to remind her colleagues that they do not need to go to Berlitz to learn their French, as long as they understand what this country is all about. The honourable senator has those responsibilities on our behalf here.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, in response to the question posed by Senator Prud'homme, I accept that responsibility as a member of the cabinet.

I also know and understand the passion and anger behind my honourable friend's remarks. He has fought for this issue throughout his political career, as has Senator Jean-Robert Gauthier, Senator Pierre De Bané and other colleagues on both sides of this house.

I also remember that when I first came to Parliament Hill there was no simultaneous translation in these buildings. I understand that they are important from the other side as well.

**Senator Prud'homme:** We are not blaming you.

**Senator Fairbairn:** No, I am not taking it as blame. I am articulating the understanding of what is behind the honourable senator's obvious anger and passion, as I said earlier.

**Senator Prud'homme:** No, not anger.

**Senator Fairbairn:** I assure my honourable friend that this is an issue that I certainly will pass on to all of my colleagues. I take Senator Rivest's question as seriously because this is wrong. It should not be countenanced. It should not be repeated. This is a country in which that procedure is part of the law. In fact, it is more than the law. It is part of the soul of this country, and it should be respected.

## LITERACY

### MAKING SCENES BETWEEN THE LINES PAMPHLET— TARGETTED ADULT MARKET—GOVERNMENT POSITION

**Hon. Ethel Cochrane:** Honourable senators, I have a follow-up question to Senator DeWare's question regarding the kit that has been published called, "Making Scenes Between the Lines".

For those senators who are not totally aware of it, this is a kit, and within it is a collection of plays which are written by street kids of high school age.

I am very pleased to hear the minister say that this kit will not be distributed within our schools, because I certainly would not want our children to have access to the terminology that one finds in the lines of these plays.

Senator Fairbairn's press secretary, Barbara Nault, said that the kit, designed by 80 organizations which work with literacy problems and with people in trouble with the law, is intended only for adults.

Honourable senators, one particular play in this kit contains language that certainly would be considered unacceptable in this chamber.

I should like to know which adults the minister is talking about when she says that this information will be distributed to adults.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, all of the pamphlets within this kit are distributed throughout the network of the 80-plus organizations which have worked on this project and are working at the community level to try to help adults at risk, in terms of their association with the law and in terms of their literacy skills, which are very much a part of it.

• (1500)

The language in the document to which the honourable senator refers certainly would not rest easy on the ears of anyone in this chamber. There is no question about that. In fact, that is noted within the document itself.

The document was not changed. It was written by young people on experiences which they have had with the law, with the police, with parents, with principals and with teachers. Their experiences are the kind which promote the rage or the humility which causes them to do the things which put them into conflict with the law. The document says to adults what the whole package says; that is, "Understand us. Understand our problems and our language. Understand where we come from so that we, too, can be helped to learn."

This is not a training document to be be used for teaching in schools. This document is for community groups of adults who are interested in helping others in that community to better understand what makes people go off the rails. That is why it is there.

Sometimes, honourable senators, in order to understand the problems of other people, we need to listen to their experiences in their own words. This is one pamphlet of a wide variety of documentation which is representative of groups across this country who deal every day with this issue.

This is the first time in the history of our country that the streams of crime prevention, criminal justice and literacy have come together in a partnership to try to work for the betterment and safety of the communities of this country. That is what this document is all about.

Indeed, there is some tough medicine in one of them, but it is there for a purpose. The purpose is to sensitize adults to what is going on in the minds of some of the young people in this country so that parents, community groups, churches and seniors are better able to help them, and pull them away from what you have read in that pamphlet.

**Senator Cochrane:** Honourable senators, I know what the purpose is of these documents. I have dealt with literacy for years. In fact, I have been a teacher for 22 years. Still, I am afraid that this literature will get into the hands of school children, and I do not think they should be subjected to words of this nature. We have fantastic literature available. They can read better things than this. The minister is saying that these kits will be sent out to various groups, but I am afraid they will get into our schools, which I do not think is acceptable.

**Senator Fairbairn:** Honourable senator, the people who are responsible for developing this program are responsible for distributing it as well. They have told me categorically that this information is not for classrooms. This is not a curriculum for teaching young people in this country. This is, in fact, a cry for help from some young people who are not in the position of many whom we know, but who are living in risky situations with the possibility of offending the law. Parents who have problems reading and writing need assistance in how to deal with some of these problems. That is its purpose, honourable senators. It is not for circulation in schools.

I saw the television program last night. I do not know how the material got to the school, except that there was a story to be written and, all of a sudden, there was the material. I regret that, but that is not its purpose. There are very tough places in this country, and people need to understand them better in order to prevent situations which lead to crime.

REQUEST FOR KITS FOR SENATORS

**Hon. Ethel Cochrane:** Honourable senators, would the Leader of the Government in the Senate send copies of this kit to every senator in order that they may know exactly what I am talking about?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the kits are not mine to distribute, but I can contact the National Associations Active in Criminal Justice that have made these kits available to any member of Parliament in the Senate or the House of Commons.

## CANADA COUNCIL

ROYAL WINNIPEG BALLET—LOSS OF STUDENT GRANTS DUE TO BUDGET CUTS—POSSIBILITY OF ALTERNATE FUNDING—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, the Canada Council has served notice on the Royal Winnipeg Ballet, the advisory council of which I am a member, that the money granted to its professional school — a sum which has never been large — will soon vanish. In cutting the budget of the Canada Council, the government is forcing the council to make choices between the country's major cultural institutions — in this case, between our second oldest company, the National Ballet of Canada, and the Royal Winnipeg Ballet.

Had that choice been made two decades ago, this country would likely never have known the artistry of Evelyn Hart who, when she found she could not develop her immense talent at the National Ballet school, developed her talent in Winnipeg at the Royal Winnipeg Ballet school.

Given that the Canada Council no longer has funds to make even the most minor contribution to costs, which can be more than $12,000 a year, will the Leader of the Government in the Senate enquire of the Minister of Human Resources Development and report back to this chamber on those programs in his ministry which might assist Canada's younger artists to get the practical training they need and deserve for dance as well as an academic education?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I would be pleased to do that. I will also make inquiries as to where else within government that kind of assistance might be found.

Senator Spivak will know, as does everyone in the country, that these are very tough economic times. Some very tough decisions have been made. At the same time, we value tremendously the cultural entities in this country which have been inspirational over the years. I will certainly look into the matter.

[*Translation*]

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

RIDEAU HALL

June 22 1995

Sir,

I have the honour to inform you that the Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 22nd day of June 1995, at 6:00 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Anthony P. Smyth
*Deputy Secretary, Policy, Program and Protocol*

The Honourable
The Speaker of the Senate
Ottawa

[*English*]

• (1510)

## ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

POINT OF ORDER

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, before proceeding to Orders of the Day, I wish to raise a point of order on an item which appears on the Orders of the Day. Honourable senators know that a deferred vote on Bill C-69 is to take place at 5:30 this afternoon.

My point of order is to request that the Speaker determine if there will be any purpose served by this vote, in light of the fact that Bill C-69 lapsed as of midnight last.

[*Translation*]

To sum it up, since Bill C-69 has lapsed, of what use will it be to hold a vote on an item which no longer has any reason to be on the order of business?

[*English*]

You will recall that Bill C-18, which was to suspend the Electoral Boundaries Readjustment Act reads in section 2 as follows:

> 2.(1) The operation of subsection 20(2) and sections 21 to 28 of the *Electoral Boundaries Readjustment Act* is suspended until such time as Parliament makes other provision in respect of those sections.
>
> 2.(2) If no other provision is made in respect of subsection 20(2) and sections 21 to 28 of the *Electoral Boundaries Readjustment Act* before June 22, 1995, that subsection and those sections cease to be suspended and are in force subject to this Act.

The summary, which is included in the act, on the inside front page, says in part, as an explanation for the purpose of the act:

> This enactment suspends the operation of certain provisions of the *Electoral Boundaries Readjustment Act* until the earlier of the enactment of new electoral boundaries readjustment legislation and June 22, 1995.

In his remarks yesterday, on behalf of the government, Senator Stanbury stressed repeatedly the importance of moving quickly on Bill C-69, confirming that the deadline for passage for it to come into force was before June 22, 1995.

As a matter of fact, he could not have been clearer on this point when he said:

> If this bill is to become legislation before the end of the suspension to June 22 provided by Bill C-18, it must have Royal Assent tonight.

That is a quote from the government spokesman recorded yesterday, June 21. Today is June 22. The deadline for Bill C-69 to become legislation has passed, as confirmed by the statement of Senator Stanbury on behalf of the government yesterday.

It seems obvious, then, that Bill C-69 serves no purpose in remaining on the Order Paper. Any vote to adjourn the debate on it will be of no value, as the purpose of Bill C-69 can no longer be met since it did not receive Royal Assent yesterday.

In other words, Your Honour, in light of my interpretation of the legal status of Bill C-69, the same interpretation which was given to us yesterday by Senator Stanbury while speaking on behalf of the government, I ask that you rule redundant the vote scheduled for 5:30 and order it cancelled.

**Some Hon. Senators:** Hear, hear!

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, the legislation is still before us. Presumably, the opposition considered the legislation very much alive; otherwise, they would not have moved the adjournment.

Let me explain, honourable senators. Bill C-18, the predecessor legislation, states that if no new process is in place by June 21, the old process starts up again. It does not say that the old process cannot be stopped at any time if, indeed, it happened to resume.

**Senator Gauthier:** Repeat it slowly.

**Senator Stewart:** Go slowly. They are having difficulty.

**Senator Fairbairn:** Repeat it.

**Senator Graham:** It reminds me of a story.

**Senator Lynch-Staunton:** You are on safer ground there.

**Senator Graham:** The story is about a gentleman who was trying to get through to a — I almost used the term "dense audience" but I refrained. You have to start out by telling them what you are going to tell them, and then you tell them, and then you tell them what you told them and hope they understand.

Bill C-69 has no date for implementation. When it is passed, and it is still before us, a new process would begin and the old process would die.

If the deadline of June 21 is missed, it does not mean that the Electoral Boundaries Act can never be amended or changed, because Parliament is supreme. I refer honourable senators to Bill C-69 at page 22, clauses 37 and 38. When this bill comes into effect:

> 37. The *Electoral Boundaries Readjustment Act* is repealed.
>
> 38. The *Electoral Boundaries Readjustment Suspension Act, 1994*, chapter 19 of the Statutes of Canada, 1994, is repealed.

Honourable senators, this legislation is still before the Senate. It is still before Parliament. We intend to proceed with the vote at 5:30.

**Some Hon. Senators:** Hear, hear!

[*Translation*]

**Hon. Gérald-A. Beaudoin:** It would appear, honourable senators, as if we have before us a problem of statutory interpretation. In my opinion, Bill C-69 has become, what we call in law, dead letter, because it has a deadline, that is, June 21, 1995, since the bill says before June 22. Therefore, at midnight on June 21, the legislation lapsed.

Senator Graham says it is still in effect. Bill C-69 repeals the Electoral Boundaries Readjustment Act and the Electoral Boundaries Readjustment Suspension Act, 1994.

I would agree with him, if Bill C-69 had been approved by midnight last night and had received Royal Assent. As Bill C-69 was not adopted, clauses 38 and 39 are now meaningless.

[*English*]

The substantive law before us now is Bill C-18, the famous chapter 19 of the Statutes of Canada, 1994. Paragraph 2(2) of the Electoral Boundaries Readjustment Suspension Act states:

> If no other provision is made in respect of subsection 20(2) and sections 21 to 28 of the *Electoral Boundaries Readjustment Act*, before June 22, 1995, that subsection and those sections cease to be suspended and are in force subject to this Act.

I wish to emphasize that the legal enactment is not on but before June 22. Legally speaking, we have been on June 22 for more than 15 hours. Obviously Parliament did not comply with paragraph 2(2) of the act quoted above.

• (1520)

Therefore, Bill C-69, has lapsed. As we say in French law, "l'article est caduc."

Section 6 of the Interpretation Act also applies to this case.

[*Translation*]

The now defunct Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act, lapsed as of the first second of June 22, 1995. Subsection 2(2) of this legislation is very clear, both in French and in English.

Bill C-69 was to receive Royal Assent before June 22 — in other words, yesterday before 23 hours 59 minutes and 59 seconds. Even if the bill was not defeated in Parliament as a result of a formal vote, it has now lapsed, since it did not receive Royal Assent before June 22, 1995.

[*English*]

In a way nothing is before us. The only objective of Bill C-18 was to suspend the process until June 21 at the very last moment; that is, before June 22. The act, in my opinion, no longer has any effect.

**Hon. H.A. Olson:** Your Honour is being asked to rule on a point of order raised by the Leader of the Opposition in the Senate ,whether or not you should strike down a piece of legislation. I heard the honourable senator say that since this legislation no longer has any value, it should not be on the Order Paper. We should not take the vote. Is that not what he said?

**Senator Lynch-Staunton:** Correct.

**Senator Olson:** The honourable senator admits that that is what he said. That is a request of Your Honour that I have never heard before.

**Senator Lynch-Staunton:** We have never had this situation before.

**Senator Olson:** I have been around the Senate and the other place for approximately 38 years. I do not think that any Speaker has ever been asked to rule on whether or not a piece of legislation is useful. If that had been a possibility, there were 10 years when one could have risen almost every week and made the argument that the legislation was useless.

I am trying to be helpful to Your Honour in making a determination as to whether or not there is a valid point of order. I will not get into all the gobbledegook that has been handed to us, that this is on a certain date and that is on a certain date.

Your Honour is being asked to decide whether we should proceed to the vote. I do not know if we are voting on the bill or voting to adjourn at 5:30 p.m. The first vote that we should take, if we ever get that far, is whether or not we should adjourn. That is the vote that was deferred.

I do not think Your Honour will find anywhere in the precedents or in all the authorities written about parliamentary procedure that one can ask, under a point of order, whether or not legislation has any use or any value.

That is the very narrow point of order raised by the Leader of the Opposition. To me, it is simple. Bill C-69 is before this house and, therefore, it is up to this house to determine whether it should be disposed of and the manner in which it will be disposed of.

If it passes — and I do not know whether or not it will — there are law officers in the Department of Justice, and others, who will decide what to do with it and whether or not it is valid for the purposes it was introduced.

**Hon. John B. Stewart:** Honourable senators, I have wished to have an opportunity to use the word "specious", and I now have that opportunity. The argument put forward by the Leader of the Opposition in the Senate is specious. I will give honourable senators an example of what that word means.

Clause 38 of the bill states:

> The Electoral Boundaries Readjustment Suspension Act, 1994, chapter 19 of the Statutes of Canada 1994, is repealed.

Senator Beaudoin's argument is that that particular clause is a nullity, by reason of the fact that the date specified in chapter 19 is now behind us.

That seems to be a reasonably good argument.

However, Clause 37 states:

> The Electoral Boundaries Readjustment Act is repealed.

In other words, the electoral boundaries regime which prevailed before the enactment of what we have been calling Bill C-18 was reinstated, and the effect, which is now before this house, would be to replace that prior regime with the one set forth in the bill.

It seems to me that on the face of the proposed legislation Senator Beaudoin's argument will not stand.

However, there is another point. The honourable senator seems to imply that by the enactment of the Electoral Boundaries Readjustment Suspension Act, 1994, Parliament had bound its successors. That is an unusual line of constitutional interpretation. I should have thought that he would have argued that the subsequent statute, provided that it was not impaired by some constitutional consideration, would always overrule an earlier statute.

That, I would think, would be the principle of statutory interpretation that would apply here, if it were necessary to go that far.

The truth is that the matter can be settled simply by reading the words proposed to appear in clause 37, namely:

> The Electoral Boundaries Readjustment Act is repealed.

The implication is that it is repealed and replaced by the regime set forth in this bill.

[*Translation*]

**Hon. Pierre Claude Nolin:** I would like to ask Senator Stewart a question. If Bill C-69 is passed and becomes law after midnight yesterday, in other words today, or next week, that means that after June 22, Bill C-69, through the application of clauses 37 and 36 that the honourable senator has just read, cancel the application of the old process, but only as of the date of the coming into force of the new act.

My question is the following: Does the coming into force of the new act sometime next week, hypothetically, mean that by repealing the old process, we are also repealing what was done today under the old process — and quite obviously done legally? I submit that it does not and I would like to hear your answer.

[*English*]

• (1530)

**Senator Stewart:** Honourable senators, I thought I had covered that ground. Let me try again.

My understanding of the situation is that the operative clause is clause 37. That is, if Bill C-69 is enacted, clause 37 causes the Electoral Boundaries Readjustment Act — the old and basic statute — to be repealed, and, at the same time, because of the other clauses in Bill C-69, a new scheme for the establishment of electoral boundaries will come into force.

Bill C-18, we set aside. We go back to the original regime until such time as Bill C-69 is enacted. When Bill C-69 is enacted, the older regime is replaced by the new regime set forth in the bill now before this house.

**Senator Nolin:** If I may, everything done legally under the old regime is valid. We learned earlier that the Chief Electoral Officer will produce the maps today or tomorrow, and that action will be valid under the old process. It remains valid if we follow the Interpretation Act of Canada. It will remain valid even if we repeal the act under which action was taken.

**Senator Stewart:** I would argue, honourable senators, that anything done under the Electoral Boundaries Readjustment Act is valid. The point is that clause 37 will repeal that act. As of the moment this bill receives Royal Assent, if indeed it does, there will be a new regime. Those will be the rules of the game from that point on.

I am not saying that anything done today, producing the maps and so on, will have been illegal. In fact they are required, as I understand it, under the law which prevails as of this hour.

This bill proposes to supplant that law.

[*Translation*]

**Senator Nolin:** I have a supplementary question for Senator Stewart. Does he agree that Bill C-18, in chapter 19 of the statutes of 1994, only had a temporary life that it was an implementing law which lapsed at midnight last night?

[*English*]

Do you agree with that?

**Senator Stewart:** There is no problem in any case. This bill will repeal the act.

**Senator Nolin:** Why have they included that clause in Bill C-69? We think that Bill C-69 has to be operative before June 22, not starting today or at some later date. Clause 38 is there because the only valid period for Bill C-18 was from the date of its enactment until last night at midnight.

That is why Bill C-69 was properly written, including clause 38. If Bill C-69 can be enacted on June 22 or after, clause 38 is irrelevant.

We are faced with a clause that says nothing which is contrary to the Interpretation Act of Canada, so we have a problem.

**Senator Stewart:** I notice that this bill, honourable senators, was passed by the House of Commons on April 25. Obviously, clause 38 was included against the possibility that the bill would become an act of Parliament before the date mentioned in it. That date has passed. This clause will in effect be a nullity. That does not affect the validity of the other clauses of the bill.

**Senator Nolin:** Bill C-18 refers to the suspension of the Electoral Boundaries Readjustment Act for a specific period of time. It was from the date of enactment of chapter 19 up until last night at midnight, so Bill C-18, chapter 19 has now lapsed. We do not need it. It is no longer a valid act.

If we follow the argument that Bill C-69 can become an act at any time, why include clause 38? We do not need that clause any longer, if we follow the reasoning of Senator Stewart. Our reasoning is that Bill C-69 can only be enacted before June 22 and not on June 22.

**Senator Berntson:** This bill is a dead letter.

**Hon. Gerry St. Germain:** Honourable senators, I have only one concern on the point of order. Senator Olson asked very definitively for a position. I know he would not want to compete with another Western Canadian. That is my only point. Senator Olson has ambitions about which I do not know but I am sure they are worthwhile.

**Hon. Sharon Carstairs:** It is clear that if we are to accept the logic as proposed by Senator Nolin, we could never adjust the boundaries in Canada. He seems to be implying that it has been suspended in perpetuity as a result of the fact that we did not pass it by June 22, 1995. That is clearly an illogical proposition.

Honourable senators, the summary on page 1a of Bill C-69 clearly states:

> This enactment repeals the *Electoral Boundaries Readjustment Act* and sets out a new régime for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries....

That is the principal purpose of Bill C-69.

The second purpose, and it is only a secondary purpose, is to repeal the Electoral Boundaries Readjustment Suspension Act, 1994, if that act is still in effect and in force. It is not still in effect. In fact, it died last night.

Therefore, Bill C-69 is amending the Electoral Boundaries Adjustment Act which is a perfectly logical, reasonable and democratic action.

**Hon. Orville H. Phillips:** Honourable senators, I would like to suggest to the Senate that the Liberals are reviving the old trick of 1957 when they coerced Mr. Speaker René Beaudoin of the House of Commons on a Monday into declaring that he did not see the clock, and Monday is now Friday. That is what you are asking His Honour the Speaker to do in this case.

[*Translation*]

**Senator Nolin:** To answer a query from Senator Carstairs, I believe that, since she refers to the explanatory notes on Bill C-69, the purpose of Bill C-69 is to respond to subsection 2(1) of Bill C-18 passed in 1994, which says:

> The operation of subsection 20(2) and sections 21 to 28 of the Electoral Boundaries Readjustment Act is suspended —

This is the important part:

> — until Parliament legislates other provisions relating to these sections.

That is what Bill C-69 is supposed to do. In other words, during the time the legislation is suspended, as clearly specified in Bill C-18, Parliament legislates a replacement for the former process. However, this period came to an end last night, so Bill C-69 has now lapsed. The bill is no longer useful.

I realize there is some confusion about this and that we may find ourselves in a legal vacuum. The decision is yours. It is suggested that Bill C-69 no longer exists, but the decision is still yours.

[*English*]

• (1540)

**Senator Beaudoin:** This is not the first time in this Parliament that we have had a statute of a temporary nature. There is nothing mysterious about an act suspending the operation of another act, or sections of another act for a period of time. It is merely a temporary legislative measure. However, if Parliament does that, we must comply with a legislative measure of a temporary nature. That is what chapter 19 is all about. Chapter 19 states clearly that it ceases to be suspended if no other provision is made before June 22. Subsection 20(2) and sections 21 to 28 have ceased to be suspended and are in force. There is no legal vacuum at all.

I did not say that Parliament will never be able to legislate in the field of electoral boundaries. Of course, it may do that every day if it wishes. However, that is not what has taken place here. You cannot change the facts. The facts are that yesterday, before midnight, no Royal Assent was given to a bill of a temporary nature.

Honourable senators, it cannot be otherwise. I did not say that Parliament may not do anything else; it is up to Parliament to decide. However, in my opinion, the meaning of this statute is very clear. It is not a case of one Parliament binding another; it is a case of one statute suspending articles of another for a certain time. If Parliament, rightly or wrongly, does not act before the end of the statutory delay of June 22 — that is, midnight yesterday — we come back to the law. There is no legal vacuum. Of course, they may table the electoral maps this afternoon. There is no problem with doing that. If Parliament is unsatisfied, Parliament will change the law.

However, one thing is clear: that is that Bill C-18 was not complied with. You say that Bill C-69 abrogates two other statutes. A statute that has not been adopted by Parliament and a statute that has not received Royal Assent cannot abrogate any other statute of Parliament.

**Some Hon. Senator:** Hear, hear!

**Senator Beaudoin:** This, in my opinion, is completely true. How can we say anything else on this matter?

**Senator Carstairs:** Honourable senators, it may be true that what the honourable senator says is true, that Bill C-18 no longer has force and effect. We have no argument with that. That having been said, we are now in a process wherein the original bill does have force and effect. It would be repealed and replaced with the passage of Bill C-69, but that is all that would happen.

Honourable senators, we will vote and we will make a determination. If Bill C-69 is passed, we will give it Royal Assent. It will then become the law of the land, and it will repeal anything presently on the legislative books.

**Senator Lynch-Staunton:** Honourable senators, it would be good if we refreshed our memories about the purpose of Bill C-18 in the first place.

The Government of Canada introduced this bill last year, a bill to suspend the Electoral Boundaries Readjustment Act for two years; in other words, to ensure that the new electoral boundaries were not in place before the next election, and to ensure that the election to be held in late 1996, or sometime in 1997, would be based on the boundaries of the census of 1980. We on this side objected, saying that Parliament had a constitutional obligation to hasten the redistribution process as soon as the new census figures were known.

However reluctantly, the government accepted that argument and said it needed time to put a new system in place. We suggested a date in December or January. They said they needed until June 22, 1995.

I urge all honourable senators to read the debates of this place; read the debates of the other place; read the debates of their committee hearings; read the debates of our committee hearings. There you will get a consistent interpretation of the significance of the June 22 deadline. The modifications, if they were to be put into place, had to be passed by Parliament and given Royal Assent by the deadline of midnight before June 22, 1995. It is written here in the records of this house. It is testified to here. It is written over there in the records of the other place. It has been testified to over there. Until now, that argument has never been challenged. Not only has it not been challenged, it was reconfirmed only yesterday by the spokesman for the government, Senator Stanbury.

**Hon. Richard J. Stanbury:** Honourable senators, this is criminal; this is slander. That is not what I said. I can quote you what I said.

**Senator Lynch-Staunton:** I would like to read to you what you said, senator —

**Senator Stanbury:** You read it, but you completely misinterpreted what I said.

**Senator Lynch-Staunton:** I did not misinterpret it. It speaks for itself.

**Senator Stanbury:** I made it very clear that unless the bill was passed in time for Royal Assent last night, the suspension, which had been created by the temporary bill, Bill C-18, would be surpassed.

I said:

> If this bill is to become legislation before the end of the suspension to June 22 provided by Bill C-18....

All I was saying was that if the bill was to become legislation before that suspension expired, then it had to receive Royal Assent by last night. That does not mean that the bill is no longer valid. Bill C-69 is still there. The temporary legislation, Bill C-18, is gone. However, Bill C-69 is there, and it becomes law as soon as you agree to pass it.

**Senator Lynch-Staunton:** Honourable senators, Bill C-18 has not gone. Bill C-18 is still there. It is on our statute books. Nothing in it makes it expire at a certain date. It is there, and will always be there until it is repealed, or perhaps amended. The question is this: Where is Bill C-69?

**Senator Oliver:** It is *functus*!

**Senator Lynch-Staunton:** Bill C-69 has lapsed. I quote, both from the blues and from *Hansard* itself:

> If this bill is to become legislation before the end of the suspension to June 22 provided by Bill C-18, it must have Royal Assent tonight.

**Senator Stanbury:** That does not affect Bill C-69. There is nothing wrong with that.

**Senator Lynch-Staunton:** It confirms a deadline that had to be met.

**Senator Stanbury:** It simply confirms the suspension.

**Senator Lynch-Staunton:** The honourable senator then goes on to say — perhaps we will have another interpretation of this one —

> All parties know the nature of the bill, the time constraints —

— at least there is an admissions that there are time constraints —

> — and the fact that the government is opposed to all but one of the amendments, which was accepted. All senators now have the opportunity to decide the fate of the bill...

• (1550)

**Senator Stanbury:** On the substance.

**Senator Lynch-Staunton:** That was yesterday. The fate of the bill has been decided. Midnight has come and gone. There has been no Royal Assent. There is no debate to adjourn or engage in because Bill C-69, while it may be on the Order Paper, has no validity. It has lapsed.

**Senator Stanbury:** We vote on the substance of the bill, not on a procedural matter couched as a point of order. You do not destroy bills on a point of order.

**Senator Lynch-Staunton:** It destroyed itself through your mismanagement.

**Hon. Jerahmiel S. Grafstein:** I should like to return to Senator Beaudoin's point of whether the Chair can act in a judicial capacity to deal with the issues raised by Senator Beaudoin. I do not believe you can.

[*Translation*]

**Senator Prud'homme:** Your Honour, first of all, I think it is very important that the Chair take the time to hear as many senators as possible, because this is a precedent-setting decision that we will have to live with. Therefore, I think that the approach taken by the Chair is a very wise one. I just wanted to say this at the outset.

Let us look back, for the benefit of those who have been following the issue from the beginning, at chapter 19 of the statutes and Bill C-18, which were assented to on June 15, 1994. There are two possible interpretations. The enactment reads "before June 22, 1995", while the summary and explanatory notes say —

[*English*]

— in English if you want:

> This enactment suspends the operation of certain provisions of the *Electoral Boundaries Readjustment Act* until the earlier of the enactment of new electoral boundaries readjustment legislation and June 22, 1995.

We could debate the first issue, which is whether it is June 21, before June 22, or June 22. Honourable senators may choose one or the other. I think you could find legal minds who would say that it is no later than tonight, June 22. I am not talking about Bill C-69, but about Bill C-18.

What is the effect if it was yesterday? Regardless of what we may say on Bill C-69, the Chief Electoral Officer of Canada and his staff, either later today or tomorrow, and I would say today, must table these 11 reports. They are ready. The commissioners have done their duty. They are ready to be tabled.

**Senator Thériault:** They have been tabled.

**Senator Prud'homme:** Including one for New Brunswick.

For those who say it is June 22, there could be a vote later on today or there should be a vote later on today. That is another debate. Therefore, not having spoken yet on Bill C-69, the law takes its course.

The Chief Electoral Officer of Canada is an officer of Parliament. He is not under the direction of any political party, mine, yours or theirs. He could be in deep trouble if he does not follow the law. The law says that if, by June 22, he has not acted, and if there is no law telling him to scrap everything, he must proceed. I am not saying that that is what happened to Bill C-69 in the meantime. Therefore, his duty is to let the law take its course.

We will be faced with the extremely unbelievable and ridiculous situation of the law taking its course, as the law provides, starting this morning for some and for others tomorrow morning, depending on where you draw the line.

What does June 22 mean? The spending of money starts right away. The 11 commissions will not be created; the old one, reconstituted, is given new life to go on. They were suspended. They are all up in the air waiting to see what Parliament will do.

There is not much left to say on that point. We know that all the maps are there. I know some people do not like them. Let us talk to each other directly in that regard. Many of us went through the pain of seeing our ridings change.

The Speaker must take these 11 reports and table them with the appropriate committee for immediate consideration, and it is most likely that it is the Milliken committee that should be looking into them. They have 30 days to ask people to prepare and make presentations and 30 days to listen to presentations. I won in court, but I also won during these presentations.

If it was to be law, five members could get together and redesign five seats. It is provided for in the law. Ask the municipal councillor and bishops of all faiths to come and say, "This is the way we would like it." I do not need to tell them what they should do. I told them privately, every single one of them.

The committee then comes back to Mr. Speaker with their report, and Mr. Speaker, again being a mailman, returns all the final deliberations of the committee to the chief returning officer. The chief returning officer is almost a mailman himself. He gives the report to each commission, and these commissions have 30 days to say yes or no. That is the deadline, and that therefor immediately starts a new process of appointing returning officers by the President of the Privy Council on recommendation — we do not know what that means — and then they start drafting the maps and the polls.

If that process were followed, everything would be ready to proceed by no later than the end of December, 1996, to the best of my information and research. That is what should take place.

I should like to listen to further views as to the demise of Bill C-69. I share part of the opinion of my friend Senator Beaudoin. He was clear, and I think everybody will agree, Senator Carstairs included, that nothing precludes Parliament from coming tomorrow while the law is taking its course with a bill that says, "We do not like what is being done at the moment. Here is a new bill. Stop everything, scrap the old bill, and start all over again."

To be frank, I do not like some of the things in Bill C-69. It is bad business to have Their Honours producing not one map but three maps for each district. I can imagine Senator Carstairs and myself, if we were neighbours, saying, "We like option A," and Senator Gauthier saying, "Of the three maps, I like option B." We would then have to try to reconcile our differences.

In a nutshell, those who are unhappy today may be happy tomorrow. I predict that those who are happy today with the maps will be the first ones to yell when they see a new map. However, when will they see a new map?

In order to understand the debate, it is important to not only read what took place in the House of Commons and Senate, but also to read what took place in our own committee where Mr. Gray, the minister responsible for this bill, appeared as a witness. It started on February 10, and continued on April 26 and May 5 of 1994. That is a long time, and there have been all kinds of understandings. It will take time, but we think they may be ready for the next election. That was the motivation of all honourable senators.

• (1600)

Will there be a new map for 1997-98? I am more clear about what will happen tonight in the House of Commons. I think Elections Canada has no other option. I am only one person, but the House met last night. The matter could be dealt with tonight, but when you read the bill, the Chief Electoral Officer, regardless of our debate here, has no other option but to proceed. Otherwise, he could lose his job.

As for Bill C-69, I am not yet ready to listen to argument. Believe it or not, some in the Senate still like to debate issues and listen to argument. So far, I am not totally satisfied concerning what happened to Bill C-69. I still believe that the Government of Canada has the right at any time to produce a bill to cancel anything that is being taken, even though to do so could be royal folly, in my opinion.

The government may promise to have a new map for the next election, as it was well understood during the deliberations of the committee, when we were told that there was plenty of time in February of 1994, but time is running out.

Now, with the new bill, Bill C-69, if it was to be done right now, nothing could be done — and we must be aware of that — and it will be scrapped. New maps will be done. Instead of once, you will now go twice to public hearings. This will cost millions of dollars in additional money.

In closing, we must be aware that if we go through the new process, no election could be held under a new map before the end of June 1997, at the earliest. In other words, if an election were called earlier than December 1996, the old boundaries would apply — that is, the ones that exist at the moment. It will be the same for June of 1997.

I have been receiving calls from friends, Liberals and others. It is painful, but I know that those who are unhappy today will be terribly unhappy tomorrow when they see the new map that may be saving their so-called "seat". Those who are unhappy today will be happy to see new seats, but those who are happy today will be unhappy to see the new division of seats because they did not go through that process. They do know what it means. Some even think that the committee can redraw the boundaries.

Someone has to educate members. It is out of the hands of the members. It started with Mr. Pearson. I keep repeating that. It is a good process, but members should be educated on the other side, and told that you cannot manipulate the maps at your wish.

I will listen to more argument on the question of Bill C-69. As Bill C-18, the Chief Electoral Officer cannot wait for us, either to see what we will do with Bill C-69 or to await the Speaker's decision; in fact, it is an important discussion and a dangerous decision for the Speaker. The Chief Electoral Officer will have to proceed tomorrow.

The law must follow its course. They must proceed tomorrow until Parliament decides otherwise. Either you scrap Bill C-69 because you believe it does not exist — that is, you believe it is related to Bill C-18 — or the government will return with a tough new law that says, "We will make it clear. Everything is scrapped and that is the end of it. We will start drawing up new maps immediately after the bill is given Royal Assent."

[*Translation*]

**Hon. Pierre-Claude Nolin:** Honourable senators, I want to clarify a point regarding the problem of interpretation which Senator Prud'homme just raised. Senator Prud'homme seems to believe that there is a contradiction between the legislative enactment, in chapter 19 of the Statutes of Canada, 1994, and the summary of the act.

My dear friend, if there is a contradiction between the actual text of the act and its summary, the act prevails.

[*English*]

**The Hon. the Speaker:** Honourable senators, if there are no other senators who wish to participate in the debate on this point of order, I want to thank all of those who have participated. I know full well, in the words of Senator Olson, that the sole purpose is to help me in making my decision. I thank all of you profusely for that.

It is obvious, honourable senators, not only because of the degree of participation but also the importance of the project, that this is one that is of much importance to the Senate. I could rule on the point of order at once, but I believe that I should be absolutely certain of my ruling. Therefore, I will take it under advisement.

I would ask Senator Ottenheimer to take the Chair now. I expect that I will be reporting back to you before 5:30, which is the deadline, but I want to be absolutely certain of the ruling that I make.

# ORDERS OF THE DAY

## FIREARMS BILL

SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Carstairs, seconded by the Honourable Senator Honourable Senator Roux, for the second reading of Bill C-68, respecting firearms and other weapons.

**Hon. Jean-Louis Roux:** Honourable senators, I wish to speak about the gun control legislation. I will begin with a citation which will take a few minutes, but it is worth it. Do not worry; I will not go beyond my allotted time.

The citation states:

It was about 5:15 yesterday afternoon, the last class on the last day of school before exams.

Then the man walked in. He was wearing blue jeans, work boots, a hunting jacket and a cap of some kind.

He spoke French.

And he was carrying a semi-automatic rifle.

"He came in quietly", Chavarie, a witness, said. "And he told us to stop what we were doing. Everyone thought it was a joke. He was smiling at us. He was very calm."

The man told the students to separate into two groups. Women on one side, men on the other.

He was still smiling, and no one moved.

"Then he fired a shot, right by my ear," Chavarie said.

The students separated. Men in one corner, women in another.

They couldn't have known it, but they were being separated into victims and survivors by a man who came to kill.

The killer forced the men to leave the classroom. For a moment or two they waited outside, and then the shots began. Three, maybe four shots, as the terrified men sprinted down the hall, hoping to get away.

At the end of the corridor they stopped, until the killer came out and began firing at them from a distance of about 100 feet.

"He fired three or four shots in the hall, and I saw three or four men go down," Chavarie said. "I'm not sure if they were hit or if they were just trying to get away."

• (1610)

Chavarie ran down the stairs and waited at the entrance on the first floor. Other terrified students ran down after him as the killer moved on to the third floor.

According to one account, he was moving and firing systematically, hunting humans, firing and advancing and cocking his weapon and firing and advancing again, a calm and relentless killer.

Someone heard the gunman say, "I want the women."

And he got them. In the classroom, in the corridors, in the cafeteria, at a photo-copying machine.

An electrical-engineering student, Reda Boulos, heard the shots and saw the gunman in the hall.

"It must be a joke," Boulos said to the student standing next to him.

The gunman pulled the trigger, and the student fell. Boulos ran.

"I saw him bleeding," Boulos said. "Everyone was screaming and crying and trying to run away."

When we arrived at the massive six-storey École Polytechnique building at about 6:10 last night, police were still bringing the wounded out on stretchers. Someone said they had counted 11 stretchers, someone else insisted there had been only eight.

I watched a woman go by with a bandage over her eyes, followed by three more women who were all conscious and looking straight ahead as they were led through the gauntlet of flashbulbs and television lights to the waiting ambulances.

It didn't dawn on me until later that the victims I saw were all women and they were all young....

As the rain turned to sleet and then to snow, journalists stood and shivered and, with most of the witnesses departed, resorted to interviewing each other.

Someone said that one person had been killed and that the gunman had killed himself. Someone else said there were three gunmen and three dead.

At 7:10 p.m., two women, one of them the mother of one of the victims, rushed into the building. They came out 20 minutes later, weeping, and were surrounded by journalists. Students at the rear of the pack cursed the journalists. One of the women said that she had been told her daughter might have been taken hostage.

At 7:15 p.m., four SWAT team members in baseball caps and flak jackets ran into the building carrying automatic weapons.

At 7:30 p.m., three more uniformed policemen went in, armed with shotguns. It seemed that the killer was still alive and that he was holding hostages inside the building.

At 8:30 p.m., the school's director, Louis Courville, walked out of the building and stood with his arms folded in front of him, facing the driving snow.

First he asked whether there were any parents in the crowd.

There was a single woman among the waiting journalists, but she was waiting for news of her husband.

Courville began speaking.

"There are at least a dozen dead," he said. "All the dead are students, and the gunman has killed himself."

Christiane Chouteau, the woman who was waiting for news of her husband, gasped and turned her back to Courville. Her eyes were red from crying and she was biting her lip.

"My husband's name is Michel," she said. "He's a teacher. He said all the dead are students."

Courville walked back into the building. Journalists stood in small knots in the snow, for once not talking much.

What had been an incident, a story, had become an enormous, bitter tragedy. There were a dozen dead inside that building, and at least two more had died in the hospital. We weren't counting the gunman.

[*Translation*]

This article was taken from the *Montreal Gazette*, published on December 7,1989. It reported an incident that took the lives of 14 Canadian women and shook the collective conscience of Canadians across this country.

Consider the following: The gunman took his own life after the bloodbath he had just caused, and as a result it was impossible to identify his body. The Montreal Urban Community Police conducted a lengthy and costly investigation involving a number of gun stores, before they were able to trace the name of the owner of the weapon that was used to kill these 14 women.

The weapon could be equipped with a 50-round magazine, but the murderer used two 30-round magazines. He had obtained them legally.

Two conclusions: If the weapon had been registered, the Montreal Urban Community Police would immediately have been able to identify the disfigured corpse. Even more important, under Bill C-68, the murderer would never have been able to legally purchase a Ruger mini-14. This would have been a prohibited weapon. Furthermore, we can say, on the basis of the findings of a subsequent inquiry, that because of his family background and disturbed mental state, the murderer would never have been able to obtain any kind of weapon.

Honourable senators, you will probably think that so far, my speech has been very emotional, but it is hard not to be when we are talking about the lives of Canadian women that might have been saved if, nearly ten years ago, Bill C-68 had been given the force of law.

Following the Polytechnique massacre, students at this institution launched a petition and quickly collected the signatures of 560,000 Canadian citizens who demanded more stringent gun controls.

By the way, I recently received letters from about 100 students in Quebec with a similar request.

[*English*]

Furthermore, six days ago, an important group of physicians, including doctors practising from coast to coast, expressed their strong opposition to the Canadian Medical Association for its stand on gun control.

[*Translation*]

The shooting at the École polytechnique or similar events — because there are others — and the obvious conclusions to be drawn should never be far from our minds in the debate on the Senate's adoption of the new gun control legislation.

After Senator Carstairs' full and detailed speech yesterday, I listened carefully to the objections of my colleagues Senators Ghitter, Lucier, St. Germain and Watt, in particular. I listened especially to the remarks of the Honourable Senator Watt on the rights of native people enshrined in the Constitution and on respect for their ancestral traditions.

I am not dismissing the objections of the other speakers, but it seems to me that Justice Minister Rock responded very effectively during his visits to the various caucuses and in the documentation he sent us. I quote some of these responses.

> Let me say first that I do not understand, I really do not understand the revulsion of some of my hon. colleagues at the prospect of mandatory weapons registration. The legislation guarantees the rights and freedoms of collectors, target shooters and hunters.

[*English*]

The system will be computerized, simple and effective, saving firearms owners time and money. The firearms licence is renewable every five years. The registration certificate is good for the life of the firearm, unless it is sold or transferred. It is expected that in the first year there will be either no charge for registering, for example, a hunting rifle, or a nominal cost to obtain each a firearms licence, starting registration in 1996, or a registration certificate, starting in 1998. The cost for registering up to ten firearms will be the same as for registering one.

Registration applications for the firearms licence and registration certificate will be available at post offices and other public places conveniently located in the community. Those who own firearms now will be able to obtain their firearms licence and a registration certificate by mailing in the applications. The renewal licence and certificate will be sent directly to the applicant.

• (1620)

Some people say it will cost anywhere from $500 million to $1.5 billion dollars for the government to set up the registration system. It is not true. Setting up the system will cost approximately $85 million spread over five years, which will be recovered over time from the fees described above. The ongoing cost of issuing registration certificates will also be covered by fees. All fees will be reviewed by Parliament. None of those costs will be taken out of provincial, municipal or police budgets. I repeat: None of those costs will be taken out of provincial, municipal or police budgets.

How will registration provide any deterrent to criminal activity, since criminals will obviously not register their firearms? It is true that criminals will not register. However, by that very fact, criminals will identify themselves. Police will check out anyone who is found in possession of an unregistered firearm. The Canadian Association of Chiefs of Police, the Canadian Police Association, the Canadian Association of Police Boards and groups representing victims of crime strongly support registration of all firearms for practical reasons. Dr. Stephen Corber, Medical Officer of Health for Ottawa-Carleton and Scientific Editor of the Canadian Journal of Public Health, declared:

> I have no doubt that firearm registration would result in reduced death and injury in Canada.

Registration will help police solve crimes where firearms are recovered; help identify the sources of firearms that are recovered; enable police to trace some of the 3,000 firearms lost or stolen every year back to their rightful owners — which should encourage all owners to store their firearms more securely — allow information on safe storage and handling regulations to be directed specifically to firearms' owners, and at less cost; help police to determine what types and numbers of firearms they might encounter when responding to an emergency call; and give the police information on the number of guns known to be in the home when they are trying to enforce a court order prohibiting someone from having firearms because of a history of violence.

**The Hon. the Speaker** *pro tempore*: Honourable senators, I am sorry to interrupt. The honourable senator's time has expired. Is leave given for him to continue?

**Hon. Senators:** Agreed.

**Senator Roux:** I thank you for your patience.

The vast majority of firearm homicides occur at the hands of someone known to the victim. In Canada, one woman is shot to death every six days, in most cases in her home by someone she knows and with a legally-owned shotgun or rifle. Reducing access to firearms in cases of domestic violence is a key public safety measure.

Restricted weapons permits and registration of handguns has controlled their proliferation in Canada compared to the U.S. where controls are uneven or absent. In the U.S., the rate of murders without guns is slightly higher than Canada's, 1.7 times; but murder with guns is 10 times greater. That situation is probably due to our gun control measures. Consequently, one can foresee a larger gap between the two countries in that field, if tougher measures are applied.

Registration will help police to take appropriate preventive action in high-risk situations. Without information about who owns guns, it is difficult to enforce the 13,000 prohibition orders issued every year against at-risk individuals. The inquest into the suicide of Jonathan Yeo, the killer of Nina DeVilliers and Karen Marquis, recommended registration of all firearms.

[*Translation*]

Finally, there is the case of the aboriginals, Inuit or Indians, and other Canadian citizens who live in remote regions and for whom hunting is a means of livelihood.

[*English*]

For them, the firearms registration system will apply equally, as it should to all and every Canadian citizen. I am not in favour of a different law for the North and another one for the South, as suggested by Senator Watt. A special regulation should be put in place to meet with the legitimate claims of the subsistence hunters and particularly with the rights and the traditions of aboriginal peoples.

Honourable Senators, I will not take more of your time.

[*Translation*]

Having said all that, I urge you to not unduly postpone the passing of this bill, while still fulfilling the Senate's duty to make a comprehensive review of the legislation. This gun control legislation will be the envy of many countries. The Standing Committee on Justice and Legal Affairs has already conducted an extensive consultation process. Sixty-four organizations expressed their views on the issue. Aboriginal peoples were represented by the Grand Council of the Crees, the Assembly of First Nations, the Council of Yukon Indians, the Inuit Tapirisat, the Metis National Council, as well as the Hunting, Fishing and Trapping Association.

The legislator took these views into consideration when it drafted its bill. It would be superfluous to start the process all over again. Let us follow up on legitimate requests. However, as I said, let us not unduly postpone the passing, by the Senate, of the new gun control legislation. Let us not forget the 14 unfortunate victims of the tragedy which occurred at the Polytechnique.

[*English*]

**Some Hon. Senators:** Hear, hear!

**Hon. Ron Ghitter:** Honourable senators, may I be permitted to ask a question in order to better understand the arguments so well put by Senator Roux this afternoon.

The honourable senator speaks in terms of the terrible tragedy in Montreal and provides a linkage from the point of view of registration to that tragedy. I have difficulty in understanding the linkage. The weapon used in Montreal was a prohibited weapon and one which required registration, yet it was unregistered. How would registration under Bill C-68 have helped stop that tragedy from happening?

**Senator Roux:** First, as I said, the murderer would not have been able to buy such a piece of armament legally. Second, because of his antecedent, psychological disturbance, he would not have been able, under the provisions of Bill C-68, to buy any firearm at all.

As far as registration is concerned, it would have been easier for the Service de la Communauté urbaine de Montréal to identify the murderer if that arm had been registered. Since it was not, they had to conduct a very difficult investigation in order to identify the murderer.

**Hon. Gerry St. Germain:** Honourable senators, Senator Roux made reference to Senator Watt's words. I listened carefully to what Senator Watt said about the impact this bill will have on the remote, northern communities and especially our aboriginal peoples.

I would ask Senator Roux if he has ever spent any time in these communities watching aboriginal people in their day-to-day lives as they hunt and trap to survive in this cold, barren wilderness.

[*Translation*]

**Senator Roux:** Honourable senators, the answer is "no". What I said, if you were listening, was that the regulation had to recognize the legitimate rights of all aboriginal people, including the Inuit. I understand perfectly that, for aboriginal people and for the Inuit in particular, a firearm can be a means of earning a living and a means of guaranteeing the security of the people who inhabit the far North.

I could not agree more that the act must respect the rights of aboriginal people. I could not agree more that the act does not entirely respect the rights of aboriginal people. I even think that I would not be overstepping my bounds by saying that, if the aboriginal community itself is unhappy with this legislation, we should amend the legislation or we should add a regulation to it to ensure that the rights of aboriginal people are fully respected.

[*English*]

• (1630)

**Hon. Philippe Deane Gigantès:** Honourable senators, perhaps I could ask Senator Roux a question.

**Senator Roux:** Certainly.

**Senator Gigantès:** Is the honouraable senator aware that in the other place Mr. Jack Anawak, who is himself an Inuit, declared that because of this law, not one less caribou would be shot. In other words, there would be no hindrance to the hunting that goes on in Inuit and Indian communities.

[*Translation*]

**Senator Roux:** I read that part of the proceedings in the House of Commons and I can only express respect for his opinion of course.

**Hon. Mira Spivak:** Senator Roux, the speech you just made was very touching and I thank you for it.

[*English*]

Honourable senators, a great deal of media attention surrounding Bill C-68 has now focused on the response of the Senate to this legislation. The media has left the impression that the Tory majority in the Senate is opposed to this legislation. I want to correct that impression, and that is one of the reasons I rise to speak at this point.

Given the debate here yesterday, it is apparent that some Liberal senators do not support this legislation. In our caucus, I do not think it is any secret that there are shades of opinion. There are those who are opposed, those who are for, and those with an open mind who would like to see the bill receive a rigorous examination in committee.

Honourable senators, I want to state my personal opinion, which is that I support this legislation and that I would like to see it sent to committee, reviewed and passed as expeditiously as possible.

I do not wish to speak at length at this juncture. Some of the arguments have been ably made by my colleagues on this side, as well as by Senator Roux and Senator Carstairs. I know there will be ample opportunity to speak at a later stage. However, I do want to address some of the myths and criticisms surrounding this legislation.

It is not true that the more people know about gun control, the less they support it. Minister Brian Evans' poll in Alberta was very explicit, giving people information about the rigors of the current process. Still, 65 per cent supported registration of firearms. If people knew that smuggled guns and random violence were not the principal problem, but that rifles and shotguns account for more of the guns seized in crime and that legal guns are most often used to kill, the support might be even stronger.

The case of the United Kingdom regarding gun registration is informative. Police are strongly in favour of the current legislation, and the vast majority of gun owners do register.

Honourable senators, the current process that we have in place was put in place by the Progressive Conservative government. Many people fought to have that legislation. They worked very hard, but there are gaps in the legislation. Canada does not have the strongest gun legislation in the world. Most European countries and most states in Australia have possession permits and registration requirements for all guns. The firearms acquisition certificate allows the holder to buy as many guns as he or she wants over a five-year period with the only record being in the store. Six million firearms are in circulation, and police do not know who owns them. The firearms acquisition certificate is needed only to purchase, not to own and use guns. The point of the new legislation is to require all gun owners in Canada to be screened in a consistent fashion.

There is a lot of talk about cost. Well, it is estimated that gunshots cost the Canadian health care system $70 million a year without assigning any value to human life. Dr. Stephen Corber, I believe, has estimated as much as $6 billion if you take in all the costs. We all know what the estimates are worth, on one side and the other, so I do not put too much stock in that.

My esteemed colleague Senator Ghitter said in his address to this chamber that some of his police friends feel that gun registration would have no impact on crime. I value his opinion, but I should like to read into the record some of the national and provincial police associations which support the Coalition on Gun Control and the legislation before us. The partial list includes: the Canadian Association of Chiefs of Police; the Canadian Association of Police Boards; the Canadian Criminal Justice Association; the Manitoba Police Association; the Nova Scotia Association of Chiefs of Police; the Ontario Association of Chiefs of Police; the Ontario Senior Officer's Association; the Quebec Association of Police and Fire Chiefs; the Belleville Police Services Board; the Brandon Police Service; the Brantford Police Services Board; the Belleville Police Services Board; the Calgary Police Service; the Delta Police Services Board; District 54 du Service de la Communauté urbaine de Montréal; the Edmonton Police Service; the Gloucester Police Service; the Halton Police Services Board; the Hamilton-Wentworth Regional Police; the Hamilton-Wentworth Police Services Board; the Hawkesbury Police Services Board; the International Police Association Régime 7, Montréal; the Kanata Police Services Board; the London Police Services Board; the Metropolitan Toronto Police Services Board; the Montreal Urban Community Police Brotherhood; the Montreal Urban Community Police Service; the Moose Jaw Board of Police Commissioners; the Nepean Police Services; the New Westminster Police; the Niagara Police Services Board; the Ottawa Police Services Board; the Peel Regional Police Association; the Peel Regional Police Senior Officer's Association; the Peel Police Services Board; the Peterborough Community Police Service; the Port Moody Police Services Board, et cetera. I think the point has been made.

According to our "disarming" Minister of Justice, Alan Rock — that is the only word I can use for him — who spoke to us yesterday, police have been asking for registration for years. They have been passing annual resolutions to that effect. They have been asking for universal registration. The inquest on the suicide of killer Jonathon Yeo, as Senator Roux mentioned, recommended universal registration. The task force on smuggling of firearms recommended universal registration.

As has been pointed out here as well, the relationship between guns and violence is often denied by critics of the bill. However, as Senator Roux pointed out, you only have to look to the United States where gun controls are uneven or absent. There, as he suggested, the murder rate with guns is 10 times greater and they have 10 times as many guns. To underscore that point, recent annual statistics show 193 homicide deaths with firearms recorded in Canada, compared to 16,704 in the United States.

Senator Roux read into the record arguments for the fact that universal registration will provide a deterrent to criminal activity, icluding what Justice Minister Alan Rock had in his briefing book. The point is that those who say they are in favour of gun control, if only we could separate the crime controls from the registration, really have no argument as their concerns can be met, and they can be met adequately.

• (1640)

It is the case that the essence of this legislation is the universal registration provisions. My friends from the gun control coalition have done some hard work to get this legislation passed. Some have given up their careers to fight for this legislation. If it is passed, they will feel that their work has been rewarded.

Honourable senators, there are those who see this bill as imperfect. I am sure it is not perfect. There are different shades of opinion concerning it. I hope the Senate will review this legislation carefully. I hope, indeed, that it will approve this legislation which was begun under our government. Once passed, it will be a milestone in this country.

**Hon. Philippe Deane Gigantès:** Honourable senators, I rise on a point of order.

**The Hon. the Speaker** *pro tempore*: Is it a question which the honourable senator wishes to ask of Senator Spivak?

**Senator Gigantès:** I was offended that Senators St. Germain and Ghitter —

**The Hon. the Speaker** *pro tempore*: I am sorry to interrupt, but is this a question to Senator Spivak?

**Senator Gigantès:** I will put it in the form of a question.

I ask Senators St. Germain and Ghitter if they feel ashamed at having sniggered in the Senate at the mention of the name of an elected representative of aboriginal people of Canada, namely, Mr. Anawak.

**Hon. Ron Ghitter:** I rise on a question of privilege, Your Honour. I do not know what the honourable senator is talking about. I take offence at his comment. I have no idea what he is talking about.

**Senator Gigantès:** I saw you. Both of you sniggered. It is disgraceful. You should both be ashamed of yourselves.

**Hon. Gerry St. Germain:** Honourable senators, I take issue with the statement of Senator Gigantès. This senator is totally irresponsible in his statements. If there is anyone who will stand up for the aboriginal people in this country, it will be me; it will not be a senator from an ivory tower in downtown Montreal.

I have worked with these people before, and I will work with them long after this senator even thought about their causes.

**The Hon. the Speaker** *pro tempore*: Does the Honourable Senator Watt have a question for the Honourable Senator Spivak?

**Hon. Charlie Watt:** Honourable senators, I have a question which I should like to address to the Honourable Senator Roux.

**The Hon. the Speaker** *pro tempore*: A question should be asked immediately upon conclusion of a speech. Are honourable senators agreed that Senator Watt be allowed to ask his question of Senator Roux?

**Senator Watt:** I tried, but I did not have an opportunity, honourable senators.

**The Hon. the Speaker** *pro tempore*: Is it agreed that Senator Watt ask his question of Senator Roux?

**Hon. Senators:** Agreed.

**Senator Watt:** Honourable senators, I appreciate being given the opportunity to ask a question of Senator Roux. At the same time, I think I need to go a bit further in educating him. Hopefully, in return, he can educate me.

When I spoke the other day in regard to aboriginal people and how different they are from southerners in their traditional practices in their homeland, I meant it. I did not make a joke about it.

Honourable senators, we have a hard enough time in our remote communities today without more restrictive laws being applied to aboriginal people. Such laws will further depress them. They are depressed enough now.

Statistics show that some 16.2 people in the Northwest Territories committed suicide by using a firearm. Do honourable senators think those numbers will decrease? Do you think this bill will help? It will increase the numbers further. I know these people. I live with them. I see how they work.

I will not go so far as to give statistics with respect to the number of people who have a criminal record. Those who do will not be eligible to obtain a permit to purchase a rifle, not to mention register that rifle. What will they become in their communities when they are no longer allowed to go into the country to use those firearms to feed themselves and to clothe themselves in order to survive?

[*Translation*]

**Senator Roux:** Honourable senators, I would first like to say I have the highest regard for Canada's native peoples. They were here before us. Their ancestral rights are enshrined in the Constitution. We must respect these rights as we must respect their traditions.

I have never been in the far North. I have had no dealings with native populations who have to carry arms to live and protect themselves. I am simply pointing out that I said that, if the law did not guarantee the respect of native peoples' rights and traditions, the Senate would have to propose amendments to it or there would have to be appropriate regulations to ensure full respect of these peoples' rights and traditions.

[*English*]

**Senator Watt:** Honourable senators, I have a second question to ask of Senator Roux.

**The Hon. the Speaker** *pro tempore*: Is it agreed, honourable senators, that Senator Watt be allowed to ask another question of Senator Roux?

**Hon. Senators:** Agreed.

**Senator Watt:** Honourable senators, I appreciate the fact that Senator Roux is sensitive to our people in relation to Bill C-68. I, for one, am not against the bill, as long as it reflects where it belongs. While it is good for the South, it might not be good for the North.

I am not convinced, like some other senators, that we can reduce the impact of this bill by way of regulation. I recognize that certain parts of it can be dealt with through regulation, but not all of it.

I do not want law-abiding citizens among my people to be criminalized. For what reason will they be criminalized? Because they will have a hard time trying to understand what this bill is all about in order to comply with it.

Therefore, the senator is not correct in saying that it is better not to have a law at all if the law does not apply to everyone. If the law does not work, then we would be better off to design one for the North.

Does the honourable senator agree with that?

[*Translation*]

**Senator Roux:** Honourable senators, I come from a province which sometimes claims to have special status. I have always been against this special status. You can believe me when I tell you that I was poorly thought of by my colleagues for taking such a stand. I consider that the law should be the same for every citizen of this country. If and when legislation does not reflect the rights and traditions of a segment of the Canadian population, and only then, should we amend it and improve on it. I remain convinced however that there cannot be different legislation for different parts of our country.

[*English*]

• (1650)

**Hon. Willie Adams:** My perspective on this bill is different than that of some of my colleagues, because I see this issue from the point of view of people who live off the land; not criminals who use firearms to kill and wound people.

Senator Watt and I are concerned about Bill C-68 because we come from a different culture. We live in small communities. We have elders who have been hunting on the land and surviving off the land with their families for generations.

I am not against gun control and registration. Registration is a fact of life. If I buy a car or other motorized vehicle such as a Ski-Doo, I am required to register it. We now will be required to register guns. However, registering a gun is different from registering motor vehicles for us because it affects the way we live with our families.

If I registered my gun, my son could not use it. If he wanted to use my gun, he would be required to go to the RCMP, who would check my registration, and he would be asked to show identification to be able to borrow my gun to go out hunting on the land. That is a concern. If I register my gun and he goes out hunting on the land and shoots himself, I would be responsible. I would go to court. That is the way I understand Bill C-68. This bill does not deal with hunting, but criminalizing.

A typical aspect of life in our culture is that you live on the land and you own a gun. We will now be required to lock our guns up in a shed or in our houses. We will now have to register our guns. If we do not do so by the year 2001, we can be charged.

People in our community live differently from people in the South. I could go out on to the land tomorrow, carrying my gun. People living down south probably only carry a gun to go to target practice.

We do not have hunting seasons in the North, and we love to hunt 12 months a year. If we see an animal, we can shoot it. In the South, there is a hunting season for geese, and deer, and moose. We do not have caribou season.

Guns will need to be kept in safe places. In the wintertime, when you go out hunting, you do not put your gun in the house every day. You have to leave it out in the cold or in the unheated porch. Otherwise, if you go out the next morning and see a herd of caribou, when you cock your gun to shoot, nothing happens because your gun is frozen.

Also of concern is the fact that if I leave my gun out in the winter, not registered, and if the RCMP see my gun lying there, they can charge me under Bill C-68.

You now must have a safety lock on your gun whenever you are moving. We often go out seal hunting in a boat in the summertime. If we have a safety lock on the gun, by the time we get the gun unlocked, the seal could be gone. That is your food for the day. That is the type of situation I am referring to that we face in the Territories.

According to surveys, approximately 26 per cent of the people in Canada own a firearm. In the Northwest Territories, that figure goes up to 47 per cent. I would say that probably 100 per cent of native people own a gun.

I do not want to go against my own colleagues in the Senate, my own party. I believe Jack Anawak said in the House of Commons that we are protected by the Nunavut land claim. As you recall, we passed Bill C-132 and Bill C-133 about two and a half years ago. There is nothing in those bills about rights for native people.

Honourable senators, I am no different from you. You are white and I am Inuit, but we are all Canadians. Any bill that affects Canada affects me. Native people do not have special rights.

• (1700)

Alan Rock, the Minister of Justice, was saying "We will amend Bill C-68 after one week from today, or the bill will be passed in the fall." He would not amend it. Even if it were to be amended, it would not make any difference to us.

Inuit Canadians are no different from anyone else. If I shoot you, or you shoot me, it is no different. Do you think that I will get less time if I shoot somebody from here in the South because I live in the South? No. I will get life in prison, because I am no different.

We are concerned about Bill C-68. Some of the people in the North, even if the bill passes, will not understand it. They will not go to the RCMP to ask to register their guns. In the meantime, some people find out that the gun must be registered. If you own that weapon, you will not be able to lend it to someone. It belongs to you, but if you loan it to somebody else, for example, to your son or a member of your family, and if something goes wrong, you will be held responsible.

We are talking about certain ages, and so on, for those who can own a gun. When I was young, we used to buy guns. Sometimes even a child between the ages of six and seven years old used a gun. If someone in the family had to have a gun, the family bought one. In fact, we used to cut off the end of those guns because young children could not reach the trigger to cock the gun. A few years later, as your arm becomes stronger, you can begin to add on to it.

We never thought about the future. Even if we owned a gun for hunting, we never thought about using it to kill a friend, or an enemy, or something like that. To us, it was our right to own a gun.

I live in the South now. For example, when you own something or you buy something, you like to have it. No one can tell you how to use it or what to do with it, because it belongs to you. However, even though you lend your gun to someone, the minister who put forward this law says that it is still your gun. You are registered as the owner.

There is nothing wrong with registering. However, what if something goes wrong on your property with your gun? You are responsible for the communal rights to it. Even Jack Anawak and Ethel Blondin-Andrews voted for the gun bill in the House of Commons.

I was on the same flight last week with Jack and the Prime Minister. He had invited the German Chancellor, Helmut Kohl, to Iqaluit for a couple of days. He is not very welcome there — nor will he be, one week from tomorrow, because of what he did to the people. The people asked what Jack was doing. They told him, "We do not want that bill, but you went along with it. You know what will happen in the next election."

**The Hon. the Speaker** *pro tempore*: Honourable Senator Adams, I am sorry to interrupt you, but your 15 minutes are up.

**Senator Adams:** I only need one more minute and then I will sit down.

It would be nice to be able to amend Bill C-68. It will be difficult for me and for Senator Watt and other senators to deal with our communities in the North. I do not have special right, more than anyone else here in the Senate. Aboriginal people say that they can hunt all they want. People even suggest that they can hurt somebody without being charged. It will be difficult to decide upon an amendment for Bill C-68.

**Hon. Jean-Robert Gauthier:** Honourable senators, I have a question for Senator Adams. He alluded to the possibility of one of his sons wanting to lend his registered gun to someone and that that would be impossible under this bill, did you not?

**Senator Adams:** Yes.

**Senator Gauthier:** I have three sons, and I interpret the bill in a different manner than Senator Adams does. I wanted to know what his interpretation was on this: If my son borrows my gun with my permission and I give him the registration of that gun, can he legally use my gun.

**An Hon. Senator:** No.

**Senator Gauthier:** I heard somebody say "no".

Under "Authorized Lending", clause 33 states:

> Subject to section 34, a person may lend a firearm only if
>
> (a) the person
>
> (i) has reasonable grounds to believe that the borrower holds the licence authorizing the borrower to possess that kind of firearm, and
>
> (ii) lends the borrower the registration certificate for the firearm, except in the case of a borrower who uses the firearm to hunt or trap in order to sustain himself or herself or his or her family;

There are exceptions for hunters and trappers.

It goes on further in clause 34 to state:

> A person may lend a firearm, prohibited weapon, restricted weapon, prohibited device, ammunition or prohibited ammunition to Her Majesty in right of Canada or a province or to a police force if
>
> (a) in the case of a firearm, the transferor lends the borrower the registration certificate for the firearm;

In other words, if you lend your certificate at the same time, you can do it.

**Senator St. Germain:** Yes, you can.

**Senator Gauthier:** But it is "with" my permission.

**The Hon. the Speaker** *pro tempore*: Senator Gauthier, is this a question?

**Senator Gauthier:** Yes, it is a question.

**Senator Adams:** Honourable senators, you may have seen that in the bill, but to me it does not matter what you do with your family gun. However, under this bill, you cannot lend your gun.

In the meantime, even though my son has my authority to borrow my gun, he must register it with the RCMP so that he can use my gun. I think that is true. What about my uncle or brother-in-law, and so on?

**Senator Gauthier:** Yes, he can use it if he has your permission.

**Senator Adams:** But I will still be responsible if something goes wrong. What would happen if he gets killed with my gun?

**Senator Watt:** You are still responsible.

**Senator Gauthier:** No, it is not your responsibility.

**Senator Carstairs:** No, not according to the bill.

**The Hon. the Speaker** *pro tempore*: It was moved by the Honourable Senator Carstairs, seconded by the Honourable Senator Roux, that this bill be read a second time. Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker** *pro tempore*: Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

• (1710)

## MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message has been received from the House of Commons with Bill C-85, to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

## ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

POINT OF ORDER—SPEAKER'S RULING

**The Hon. the Speaker:** Honourable senators, earlier today Honourable Senator Lynch-Staunton rose on a point of order and said:

> Honourable senators know a deferred vote on Bill C-69 is to take place at 5:30 this afternoon.
>
> My point of order is to request that the Speaker determine if there will be any purpose served by this vote in light of the fact that Bill C-69 lapsed as of midnight last.

Considerable discussion ensued. The point revolved largely on legal issues. Indeed, if you listened carefully to what Senator Lynch-Staunton said, I am being asked to rule on a legal matter and not a matter of the rules of the house.

Beauchesne is the only authority which speaks to this matter. I refer to *Beauchesne's Parliamentary Rules & Forms*, 6th edition, citation 324, which reads:

> The Speaker will not give a decision upon a constitutional question nor decide a question of law, though the same may be raised on a point of order or privilege.

Therefore, it is impossible for me to rule on whether any purpose will be served. That is not within my capacity.

Further, we have before us an order of the Senate to have a vote at 5:30 today. It is not possible for me, as Speaker, to rescind an order of the Senate. Only the Senate can do that. It is beyond my power. I cannot stop the process to which the Senate has agreed.

Honourable senators, under rule 66(3) of the Senate, on a deferred vote the bells must start ringing 15 minutes before the hour. It is now 16 minutes before the hour. I propose, therefore, that we ring the bells now for the vote at 5:30 p.m.

• (1730)

MOTION TO CONCUR WITH MESSAGE FROM COMMONS—SPEAKER'S STATEMENT—MOTION TO ADJOURN DEBATE NEGATIVED

On the Order:

> On the motion of the Honourable Senator Murray, P.C., seconded by the Honourable Senator Robertson, for the adjournment of the debate on the motion of the Honourable Senator Graham, seconded by the Honourable Senator Hébert:
>
> That the Senate do not insist on its amendments 1, 2, 3, 4(*b*), 4(*c*), 5, 6 and 7 to the Bill C-69, An Act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries, to which the House of Commons has disagreed; and
>
> That a Message be sent to the House of Commons to acquaint that House accordingly.

SPEAKER'S STATEMENT

**The Hon. the Speaker:** Honourable senators, before I call the vote, I should like to make a brief statement. Yesterday, when the standing vote was called, Honourable Senator Kinsella rose and asked that the vote be deferred under rule 67(1).

Rule 67(1) reads as follows:

> After a standing vote has been requested, pursuant to rule 65(3), on a motion which is debatable in accordance with rule 62(1), either Whip may request that the standing vote be deferred as provided below.

A motion to adjourn the debate is not debatable. Therefore, yesterday the deferred vote should not have occurred.

I am making this statement now because I do not believe that this incident should become a precedent in this house. An error was made, and I accept the responsibility.

Pursuant to rule 66(3), the Senate proceeded to the deferred division on the motion of Senator Murray to adjourn the debate on the motion to concur with the Message from the Commons on Bill C-69

Motion negatived on the following division:

Yeas

The Honourable Senators

| | |
|---|---|
| Andreychuk | Lavoie-Roux |
| Atkins | LeBreton |
| Balfour | Lynch-Staunton |
| Beaudoin | Macdonald (*Cape Breton*) |
| Berntson | MacDonald (*Halifax*) |
| Buchanan | Murray |
| Cochrane | Nolin |
| Cohen | Oliver |
| Comeau | Ottenheimer |
| DeWare | Phillips |
| Di Nino | Prud'homme |
| Doody | Rivest |
| Doyle | Roberge |
| Forrestall | Robertson |
| Ghitter | Rossiter |
| Johnson | St. Germain |
| Kelleher | Simard |
| Kelly | Spivak |
| Keon | Stratton |
| Kinsella | Sylvain—40. |

Nays

The Honourable Senators

| | |
|---|---|
| Adams | Kenny |
| Austin | Lawson |
| Bacon | Lewis |
| Bosa | Losier-Cool |
| Bryden | Neiman |
| Carstairs | Olson |
| Cools | Pearson |
| Corbin | Petten |
| De Bané | Pitfield |
| Fairbairn | Rizzuto |
| Gauthier | Robichaud |
| Gigantès | Roux |
| Grafstein | Stanbury |
| Graham | Stewart |
| Hays | Thériault |
| Hébert | Watt—33 |
| Hervieux-Payette | |

Abstentions

The Honourable Senators

Nil

[ The Hon. the Speaker ]

**The Hon. the Speaker:** I declare the motion lost.

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[*Translation*]

## CN COMMERCIALIZATION BILL

SECOND READING—DEBATE ADJOURNED

On the Order:

> Second reading of Bill C-89, to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act and for the issuance and sale of shares of the Company to the public.

**Hon. Pierre De Bané:** Honourable senators, I am pleased today to introduce Bill C-89, the CN Commercialization Act.

This bill is part of the government's overall plan to establish a viable and competitive transportation network in Canada. One only has to look at our country's geography to understand the importance of an efficient transportation network in allowing Canadian producers and manufacturers to remain competitive on world markets.

In fact, it would be impossible for Canadian exporters relying on rail transport to compete internationally if railway companies did not offer them efficient service at reasonable cost.

[*English*]

In this regard, the government introduced in the House of Commons on June 20, 1995, its proposal for a new transportation framework for Canada, the Canada Transportation Act. This will help set the groundwork for CN and all other Canadian transportation participants to improve their performance and serve Canadian shippers more effectively.

Commercializing CN is also consistent with the government's intention to have the private sector operate in areas where it can do the job better than the government. As the Minister of Finance said last February in his budget:

> Our view is straightforward, if government does not need to run something it should not. And in the future, it will not.

Under Bill C-89, all the government's current shares in CN will be sold on the public markets. All Canadians, including CN employees, will have an opportunity to buy shares in this railway. CN employees will continue in their current positions in the new CN and their pensions will be protected under the Pensions Benefits Standards Act. This means that CN employees and pensioners will not lose any entitlements or benefits to which they are currently entitled.

• (1740)

CN will remain a federally incorporated railway, and all current collective agreements will remain in place. This includes the June 14 decision by the arbitrator in the recent round of rail labour negotiations.

[*Translation*]

We hope that many Canadians will take an interest in CN shares. We would like them to be spread over the country.

On the other hand, the Canadian market is not large enough to absorb the initial public offering, which will probably be the largest in Canadian history. Since, to be successful, this offering requires foreign investment, we have decided not to limit the percentage of shares that can be held by foreign investors. Every effort must be made not to send the wrong signal to foreign investors and put them off to the point that they take little interest in this deal. That is precisely what happened with other privatization initiatives.

On the other hand, the government insists that CN should remain under Canadian control. Judging by previous international privatization initiatives, even if no restriction were put on ownership, it is unlikely that foreign investors would buy more shares than Canadian investors.

At any rate, to prevent control of CN by a single investor, the government will prohibit any Canadian or foreign investor from holding more than 15 per cent of the shares. This limit will apply to persons and corporations which are associates. For example, if an investor buys 10 per cent of CN's shares and one of his associates wants to buy some also, the latter will not be able to buy more than 5 per cent. This measure will prevent these investors from getting together to control CN. The bill also contains provisions preventing corporations which are not associates from joining forces and colluding to take over the company.

[*English*]

Honourable senators, this bill also strikes a balance between our objective of maximizing return for the taxpayer while ensuring CN is viable into the future and the operating obligations some may wish to impose on the railway. The headquarters of CN will remain in Montreal, and the Official Languages Act will continue to apply to CN employees. However, these are not changes from the way the railway currently operates. These will not affect the "saleability" or price which we will receive from CN shares because investors will expect CN to continue to operate in that manner.

We cannot, however, impose any service obligations on CN that do not apply to its competitors if we are to ensure that CN can compete on a level footing with the other transportation sector players into the future. It may be tempting to ask CN to maintain certain operations while it is still a Crown corporation, but CN can no longer be used as a tool of public policy if it is to serve Canadian shippers well. Government policy objectives must be met through more transparent and direct means, not through entities such as the railways.

In addition, honourable senators, CN will transfer its real estate assets to the government for fair consideration, which will also help pay down their debt. Any further debt reduction will be the minimum necessary, and will be undertaken with the goals of fairness and competitiveness in the rail industry and the transportation sector in mind.

The government has an agreement with three investment banks — Scotia McLeod, Goldman Sachs and Nesbitt Burns — to form a consortium for the purpose of leading this deal.

[*Translation*]

With this bill, the government is one step closer to achieving its major project of establishing an integrated, affordable, viable and competitive transport network in Canada.

Bill C-89 will allow the government to sell all of its interest in CN, while also getting the best possible value for taxpayers and ensuring that the corporation will continue to serve Canadians for a long time.

[*English*]

**Hon. J. Michael Forrestall:** Honourable senators, I laboured hard in the vineyard to bring forth these 10 or 15 pages of wisdom.

Let me say that on this side we certainly welcome the move to privatize CN. Going back to the government of Joe Clark, we as a party first proposed that this would be the proper way to go.

Honourable senators, we want this matter to go to committee where we would expect to call a number of witnesses. It will not be a repetition of the evidence given before the other place. We would certainly call thePpresident of CN. We would certainly want to talk to bankers and financial people in order to reassure ourselves about how this sale will affect the marketplace.

We all recall the difficulty we had with the privatization of Air Canada and the marketing of its shares. We do not want a repetition of that situation.

The committee will look at questions such as what happens to heritage railway stations. There are many issues to explore. We would welcome a fairly rapid referral to committee.

Honourable senators, the time has come for us to take this step. In doing so, we must look carefully at the existing debt and how the ministry and the government intend to cope with it. We do not want the taxpayers taking another bath to the tune of $800 million to $1 billion to cover the deficit.

The last time we converted debt to equity — some $800 million — Minister Mazankowski said "This is the last time". In making CN as attractive as possible to sell to buyers, I hope that the government does not extract from the hides of Canadian taxpayers another $700 million or $800 million. Mind you, given the amount of money the government has been able to save in recent months, one cannot help but wonder what they will spend it on a few years down the road.

With those few remarks, honourable senators, I look forward to the referral of Bill C-89 to the Standing Senate Committee on Transport and Communications.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Transport and Communications.

## BUSINESS OF THE SENATE

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** I wish to thank honourable senators for their cooperation. Before I move the adjournment motion, I should point out that we have Royal Assent at 6 o'clock this evening. In the meantime, I should like it if we could proceed with Bill C-82.

Honourable senators, in line with the suggestion made by Senator Doody earlier, and in view of the fact that we do not have copies of Bill C-54 for every honourable senator, I suggest that we not deal with that piece of legislation until the next sitting of the Senate.

However, we would ask if we could deal with Bill C-82. If other honourable senators want to proceed further on the Order Paper after Royal Assent, we on this side are quite disposed to continuing.

• (1750)

Therefore, honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday next, June 27, 1995, at eight o'clock in the evening.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

[*Translation*]

**Hon. Marcel Prud'homme:** Honourable senators, I thought we would be sitting tomorrow. Since we will be leaving tonight, I think it would be appropriate perhaps for at least two or three senators to say a few words on the Saint-Jean-Baptiste Day festivities, as has been the tradition. If you think it appropriate, I am prepared to say now, off the cuff, what I intended to say tomorrow. I have no objection.

Tomorrow I wanted to say the following, and I hope my colleagues will listen very carefully, because some of them will doubtless be startled. At one time...



**The Hon. the Speaker:** I am sorry to interrupt you, but we were voting, and I would like to complete the vote.

[*English*]

Is it your pleasure, honourable senators, to adopt the motion of Senator Graham?

Motion agreed to.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to hear Senator Prud'homme now?

**Senator Berntson:** After Royal Assent.

**Senator Graham:** Honourable senators, I, too, admire and understand the work of Senator Prud'homme over a long number of years — probably longer than anyone else in this chamber save Senator MacEachen. I know we are all anxious to hear his words. However, in view of the time, I suggest that we do not see the clock at six o'clock and after that we proceed with Bill C-82, have Royal Assent and reconvene to hear Senator Prud'homme.

**Senator Prud'homme:** Honourable senators, I do not want to impose on my colleagues. My intervention will be very short.

**Senator Graham:** In that case, honourable senators, I suggest that we hear from Senator Prud'homme now.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

[*Translation*]

## SAINT-JEAN-BAPTISTE DAY

GOOD WISHES TO FRENCH CANADIANS

**Hon. Marcel Prud'homme:** I thank you, honourable senators. I would ask you to listen very carefully to what I am about to say because some may find it extremely controversial.

I want to start by saying: Vive Montréal! Vive le Québec! Vive le Québec libre! Vive le Canada français! Those are the very words General de Gaule used in 1967, as the records will attest.

Unfortunately, history has not retained his whole declaration, leaving out what came after "Vive le Québec libre".

This is what he said, the records are very clear, it is complete. He clearly said at the very end: "Vive le Canada français". And of course, since I pride myself on being French Canadian, I feel a certain affinity with these words.

Very recently, I did some research and discovered something even more astonishing: The good old general, who was in Berthierville, got carried away and started singing, asking people to join in and sing the national anthem. Some people started to sing *La Marseillaise* but did not know it well, so he started singing *O Canada!* just before entering Montreal. This proves that even he knew what we mean by the French Canadian people.

What I wanted to tell you, honourable senators, is that for me, June 24 was and always will be a holiday honouring French Canadians, no matter where they are in Canada or across the world. What I celebrate first and foremost is a people who contributed in many ways to the building of this country.

[*English*]

If we study further, we discover that the national anthem which most of you sing in English with great pride, and which I sing in French with as much pride, was composed in 1880.

We celebrated the one-hundredth anniversary of *O Canada!* on July 1, 1980. There was a man on the stage at the time who said, "That is wrong. It is 100 years and one week ago." I was bothered by that. I was invited by Francis Fox to attend because I had been a member of the committee that proclaimed *O Canada!* at the request of Mr. Pearson. Senator Forrestall and I were the only members left.

A very great senator friends of ours, Senator Tremblay, was there. He said, "That is wrong. My wife is the great-granddaughter of Sir Adolphe-Basile Routhier, who wrote the words of *O Canada!*. Do you know at whose request? At the request of the President of the Saint-Jean-Baptiste Society of the City of Quebec in order to celebrate with great joy June 24, 1880."

We all know that, I am sure. However, it is something that we should preach to Canadians about. The great Canadian flag is now the umbrella of all these great people of Canada.

[*Translation*]

Now, I must tell you in concluding and in thanking you for your kindness that, on the occasion of the French Canadians' Patron Saint's Day, la Saint-Jean-Baptiste, on June 24, the House of Commons and the Senate will not be sitting. I wish French Canadians, who are my people, the best of celebrations and, particularly, a return to their source, because when a people does not know its history, it is bound to perish. I hope that my people, which are well represented on both sides of this house, will refuse to die, because this country is ours and one of its most majestic celebrations is la Saint-Jean-Baptiste.

I wish my fellow citizens the best of days and I hope that together we relearn our real history.

**The Hon. the Speaker:** I might add that French Canadians in Manitoba also celebrate la Saint-Jean-Baptiste.

[*English*]

## BUSINESS DEVELOPMENT BANK OF CANADA BILL

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-91, to continue the Federal Business Development Bank under the name Business Development Bank of Canada.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

## ROYAL CANADIAN MINT ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Colin Kenny** moved the second reading of Bill C-82, to amend the Royal Canadian Mint Act.

He said: Honourable senators, respecting the new time rules, I will be brief. I am here to speak to Bill C-82, which my friend refers to as the "doubloon bill".

• (1800)

Bill C-82 is designed to save government expenditures and to modernize Canada's currency with the $2 coin. It will replace the $2 note and save Canadians approximately $254 million over 20 years in reduced production costs as compared to the notes. The average life span of the $2 note is one year, and the average life span of a coin is twenty years. The cost to produce a $2 coin is six cents per unit, compared to 16 cents for the bill.

There is a dual approach with this bill. It is the intention of the government to change the metal composition of other coins at the same time. The one cent, five cent, ten cent, twenty-five cent and fifty cent coins will all be readjusted at the same time. This will be done to save production costs. The government expects to save $12 million annually with this change.

The combined savings generated will be $500 million over 20 years. On top of that, the government is expected to accrue approximately $449 million in seigniorage to the Consolidated Revenue Fund within 18 months of issuing the $2 coin. Seigniorage, as we all know, is the difference between the face value of the coin and the cost of production.

Canadians depend on the $2 note for a variety of uses. A coin will be more durable and will save the government money. Two loonies cost 26 cents to manufacture, and the $2 bi-metal coin is estimated to cost 16 cents. The new coin will be just slightly heavier than the current loonies. Two loonies would weigh 14 grams, whereas the new coin weighs 7.3 grams.

The use of the new coin will be principally for vending machines. It is noted that Canadians are shopping more and more from vending machines. The proposed $2 coin is bi-metallic, and like many new coins around the world, it will represent a new technology for Canada and give the mint the opportunity to produce coins for other countries.

Thus far, there have been 17,000 submissions from school children, artists and other collectors to the mint suggesting new designs.

The government intends to provide a period of adjustment for the vending industry. The mint has had discussions with that sector of industry and has asked for their advice on how to make their adjustment. Their views are that it would be preferable to simply make one change with all of the denominations at once so that the vending machines need only be adjusted one time.

The proposed $2 coin will be composed of a nickel outer ring with an aluminum-bronze core. The mint believes that the proposed combination of alloys for the outer ring and core are best in terms of visual colour appearance, resistance to wear, and tarnishing, disposal and recycling. Canadians with vision impairment and the blind will find it easy to use the new coin.

I urge honourable members to support this legislation.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, although this legislation is only a few pages in length, it will have an impact on all Canadians. This legislation will allow the government to mint a $2 base metal coin of a size and weight that will be slightly larger than the $1 coin.

With the $1 coin and now the $2 coin, not to mention the other smaller coins which exist in this country, Canadians will now be able to potentially carry a purse or a wallet that can be used as a weapon. Mr. Rock will then be forced to amend the Criminal Code so that the police can charge you with possession of a dangerous purse. Can you imagine having to register your wallet?

The Royal Canadian Mint has been instructed by the government to prepare for the production and distribution of 300 million $2 coins. Distribution of these coins will commence early in 1996. The new coins have a life span of twenty years versus one year for the $2 note. Will they circulate, or will they end up in storage in bank vaults?

The government has stated that the new $2 coin will save taxpayers $254 million over 20 years and accrue an additional $449 million in seigniorage, whatever that is, to the Consolidated Revenue Fund within 18 months of the issue.

What will the cost of the $2 coin be for the private sector? As a result of the $2 coin, there will be an increase in expenses for businesses. Such expenses will probably be passed on to the consumer in the form of higher prices. This is not welcome news.

In an article in *The Ottawa Citizen* on June 13, it was stated that vending machine operators expect that it will cost them $80 million to convert some 200,000 pop and candy machines to accept the new coins. Cash registers will also need to be changed. Making such changes, of course, will cost businesses a tidy sum.

Has the government considered the alternatives, including doing away with the $2 piece altogether? During the debate on the $1 coin, known as the loonie, the then opposition said, and I quote from Mr. Don Boudria, June 17, 1986:

> The Canadian people will very rapidly get used to the $1 coin. I am, however, a little concerned about the $2 bill. I am not convinced that in the long term we will get maximum use of the dollar coin so long as we retain the $2 bill. In my opinion, we may want to withdraw that bill at some time in the future.

It was his opinion that getting rid of the $2 bill should, in fact, follow some examination. Has the government of the day done this? I do not know.

Finally, the new $2 coin will need a name. The media has referred to it as the doubloonie, but perhaps there is a more fitting name. The Martoonie? The Dingwalloonie? Who knows?

Bill C-82 raises some concerns in my mind and in the minds of others. What will be the actual cost of the $2 coin to the private sector, and is this the right time to introduce this new coin? Perhaps there are other concerns which can be considered when this legislation is examined in committee.

• (1810)

**Senator Prud'homme:** I do not know whether honourable senators would prefer to adjourn the debate or end the debate today. I am in your hands. I have followed this subject for 30 years.

It is difficult to follow the legislation that is coming at the moment. I do not have all my notes here, but I can make some of my views known; that is, unless someone else wants to adjourn the debate. I should like to ask for adjournment of the debate. However, if there is no seconder, I will participate right now.

**The Hon. the Speaker:** Senator Bryden was rising as well.

**Hon. John G. Bryden:** Honourable senators, perhaps I might briefly ask a question of either of the previous speakers on this bill?

In the tradition that our coins have on one side of them wildlife, or a beaver, or whatever, some suggestion has been made to place the picture of an animal on the $2 coin as well. Someone has suggested the head of a championship buck deer from Alberta, but a great deal of concern has been expressed about placing the head of a dead deer on a coin.

Could we not perhaps commission Alex Colville, or someone else, to do a nice sketch of two of our white-tailed deer to place on this coin? In that way, we could also justify the coin's name: Two bucks!

**The Hon. the Speaker:** Honourable senators, is there a seconder for Senator Prud'homme's adjournment of the debate?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, after second reading it was our intention to move the legislation to the Standing Senate Committee on National Finance.

**Senator Prud'homme:** I will make only a few brief comments now and then I can explain in further detail when we return. I would like to cooperate with Senator Graham and others on this issue.

**Senator Graham:** I just do not want to inconvenience the representative of His Excellency the Governor General any further.

On the one hand, Senator Prud'homme, we are quite prepared to have you adjourn the debate and resume the debate at the next sitting of the Senate. Otherwise, if you want to compress your remarks, with the understanding of the precedent and the practices around here, then we are quite prepared to allow you to proceed.

**Senator Prud'homme:** I appreciate the honourable senator's courtesy. If you want to second my motion to adjourn, I would be more than honoured to do so and I would be prepared to proceed at the next sitting of the Senate.

On motion of Senator Prud'homme, debate adjourned.

## BUSINESS OF THE SENATE

**The Hon. the Speaker:** Honourable senators we have Royal Assent at six o'clock.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Your Honour, I had understood that you might have received a message from the other place.

**The Hon. the Speaker:** I have not received it yet.

**Senator Graham:** Then I move that all further reports of committees, inquiries and motions be allowed to stand so that we can accommodate His Honour the Deputy of His Excellency the Governor General.

**The Hon. the Speaker:** Is that agreed, honourable senators?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Honourable senators, I point out that if messages arrive during the course of Royal Assent, quite obviously we will return thereafter and I will read them at that time.

In that case, I will leave the Chair for the arrival of His Excellency the Governor General.

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[*Translation*]

## ROYAL ASSENT

The Honourable Charles Joseph Doherty Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Acting Speaker. The Honourable the Speaker said:

> I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Charles Joseph Doherty Gonthier, Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

*The Commission was read by a Clerk at the Table.*

The Honourable the Deputy Governor General was pleased to give the Royal Assent to the following bills:

> An Act to implement certain provisions of the budget tabled in Parliament on February 27, 1995 (*Bill C-76, Chapter 17, 1995*)
>
> An Act to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other Acts and to repeal the Veterans Appeal Board Act (*Bill C-67, Chapter 18, 1995*)
>
> An Act to amend the Young Offenders Act and the Criminal Code (*Bill C-37, Chapter 19, 1995*)
>
> An Act to accelerate the use of alternative fuels for motor vehicles (*Bill S-7, Chapter 20, 1995*)
>
> An Act to amend the Income Tax Act, the Income Tax Application Rules and related Acts (*Bill C-70, Chapter 21, 1995*)

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

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The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, June 27, 1995 at 8:00 p.m.

# THE SENATE

**Tuesday, June 27, 1995**

The Senate met at 8:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### UNITED NATIONS

FIFTIETH ANNIVERSARY OF FOUNDING

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, yesterday was the fiftieth anniversary of the signing of the United Nations Charter. It would appear that very few observers are in the mood for a birthday party. In fact, the mood seems to be characterized by reproach, doubt, and, indeed, disillusionment.

There are valid reasons for pessimism. Many key agencies seem redundant and outdated. Member states are not paying their bills. The United Nations has accumulated $2.8 billion worth of unpaid debts. Countries like Rwanda, Somalia, and Bosnia seem to symbolize UN failure.

We all know the 185-member organization needs a massive overhaul. The latest report of the Ford Foundation proposes a new road map for the future. The product of the combined experience of some of the world's most eminent statesmen, the report entitled "The UN in its Second Half Century", is proof that ideas are not lacking at this most critical time in the history of the world organization.

There are many who say, "Why bother? The reforms required are too numerous, too costly, the challenges too great, the political and institutional obstacles to change too deeply embedded." Conventional wisdom seems to tell us that the UN should be like General Motors: Change must be instantaneous, results immediately visible.

So why bother? Perhaps it might do us all good to think back to the first principles upon which the UN was founded. Prime Minister Mackenzie King outlined them at the San Francisco conference from which the UN Charter was conceived on April 27, 1945. They have a remarkable applicability to our time, and I quote Mackenzie King:

> The present is one of those moments of transition when an old order is passing away. As representatives of the United Nations, we are all here to lay the foundations of a new world order. The ends that we seek to serve transcend the limits of race and the bounds of nationality. While the fires of war are still burning fiercely, the opportunity is given to this Conference to forge and fashion from those fires an instrument of world security...it is ours to give to grief stricken humanity a hope of which it is in greater need today than it has ever been before...it is ours to help bring into being a world community in which social security and human welfare will become part of the inheritance of mankind.

Honourable senators, we are, on the occasion of this fiftieth anniversary, at a moment of great historic transition, as were the great Canadians who participated in San Francisco in 1945. The United Nations remains a reflection of hopes and aspirations of a civilized world, as it did at the time when Lester Pearson, Norman Robertson and Escott Reid and so many other fine Canadian statesmen put their talent and commitment to work with diplomats across the globe in constructing a process of peace, and I emphasize the word "process".

The United Nations was to be imperfect, as are the member states which comprise it, and in constant need of reform and revitalization, as are the member states which comprise it.

Again, I come back to the question, "Why bother? The challenges are too great." The answer is simple: If we tolerate the failure of the United Nations, we tolerate the failure of all of humankind. I speak not just of grief-stricken humanity but, perhaps more important, of ourselves, the developed countries of the richer, more favoured part of the world.

If we fail to find better ways to improve the lot of the poorest of the poor, we fail only ourselves. If we fail to provide security on the other side of the world, we only endanger the limited security we have here. So why bother? Because if we tolerate the failure of the United Nations, we tolerate the end of hope, and hope, as Mackenzie King pointed out to the delegates assembled in San Francisco back in 1945, is the last thing that any of us in those times or in these times can afford to surrender.

**Hon. Noël A. Kinsella:** Honourable senators, the fiftieth anniversary of the United Nations organization is an anniversary in which Canadians coast to coast to coast can celebrate. Indeed, many honourable members of this chamber have played a leadership role in the various organs of the United Nations since its founding 50 years ago.

Honourable senators, the travaux préparatoires of the United Nations organization and the Atlantic Charter served as a precursor to the objectives of peace and the promotion of harmony and human rights around the world, an objective of the grand alliance itself during the terrible period of the Second World War, it carried with it a vision of world solidarity and of the peoples of the world represented by every political ideology, every system of government, but with a common objective, an objective of world peace, an objective of common good on a global plane, a plane which, in the mid-1940s, might not have been conceptualized as it can be conceptualized as we approach the third millennium.

Indeed, as the honourable deputy leader has mentioned, many question the level of efficacy of the United Nations organization as it is presently structured, as it presently operates. On the other hand, many look to the grand achievements and the potential for even greater achievements in the years that lay ahead.

• (2010)

We would like to underscore the objective of human rights, as does the Charter of the United Nations, and it has been articulated many times as an objective of the organization itself. Human rights and respect for the worth and dignity of all men and women of the world community form the basis of the instrumentalization which the United Nations represents.

Honourable senators, it is important that the Government of Canada continue its leadership role, as shown by the various administrations since the founding of the United Nations. Canada has participated in every peacekeeping mission undertaken under the auspices of the blue flag.

Honourable senators, although the challenges are great in this world organization, Canada should rise to the occasion with a forward-looking, creative vision that the world community may continue in harmony, which is the objective and the desire of all men and women of goodwill.

**Hon. Senators:** Hear, hear!

**Hon. A. Raynell Andreychuk:** Honourable senators, I too rise to speak about the anniversary of the United Nations. Perhaps we have focussed on the political failures, rather than the lack of political will by the countries of the United Nations.

The United Nations cannot succeed on its own. Those of us who are committed must face the challenges of the UN not with mere criticism but with constructive criticism. Therefore, I pay tribute to the United Nations Association of Canada and the fiftieth anniversary committee, which have put together constructive and timely proposals for the reform of the United Nations. I am pleased to see that the Government of Canada has embraced many of those reform recommendations.

The strength of the United Nations, which is often overlooked, is its role in the ECOSOC and in all of its cultural, social and health organizations. Anyone who has worked in those fields will know that we would not be where we are today but for the World Health Organization, UNICEF, and many of the other United Nations Development Projects, UNDP, which underpin child welfare and health issues. We can be proud of those contributions made by Canadians and others around the world.

From a personal point of view, I would underscore the effectiveness of human rights issues. This is a place where dialogue can supercede other, more violent efforts. If the United Nations did not exist, what would our world be like?

It is important that Canadians take note of the celebrations which are taking place across our country. I have been involved with many of the United Nations model assemblies. They involve university students, high school students and citizens at large. There is still optimism that the United Nations is a functioning organization and our best hope for a peaceful future.

There are critics who say, "Why bother?" Right-thinking Canadians know that we must bother. We must be worried about restructuring the United Nations. We must look at a global world which puts human rights, peace and development above all else.

I ask all senators, over the rest of this year, to reflect on how we as Canadians can contribute to this worthwhile cause.

**Hon. Senators:** Hear, Hear!

[*Translation*]

**Hon. Marcel Prud'homme:** Honourable senators, to me, since my days at university and as a member of the House of Commons and now in the Senate, the United Nations has always represented the hope of humanity. As institutions grow older, of course some reforms become necessary. However, when we criticize, we must be very careful to be constructive, not destructive. That is why I agree wholeheartedly with everything that was said this evening, and so I would rather not be repetitive.

We seem to have a very lot on our plate this evening, so I would not want to take up more of your time than necessary —

[*English*]

— except to say that, very often, when we talk about the United Nations, we have a tendency to dwell on the best record of the United Nations; that is, human rights.

I know I am repeating myself but I will go on until I die. My father always said, "When you talk about human rights, please do not insult me. Do not pick and choose. You either believe in the universality of human rights or you remain silent."

We see today again trouble starting all over the Middle East. It will grow, unfortunately, because in the past we have forgotten to go directly to the root of the problem over there — the question of human rights.

Senator Andreychuk has asked us to reflect for the rest of this year. I would say we should reflect for the rest of our lives on the question of human rights. Also, we should always be champions of the United Nations, especially with the new political agenda in the United States of America. They are attempting to find many faults with the United Nations so as to better destroy it. Canada should stand as a champion of the United Nations. Canadians would like that from us; they would expect that from us. I am certain that is what the Senate stands for.

**Hon. Allan J. MacEachen:** Honourable senators, I should like to refer particularly to comments made by Senators Graham and Andreychuk. Senator Graham pointed to the work of the group of eminent persons who was commissioned by the Ford Foundation to make recommendations about the future of the United Nations. That is commendable work and no doubt contains many valuable suggestions.

However, Senator Andreychuk did underline that, here in Canada, the United Nations Association has taken upon itself to focus on the reform of the United Nations as part of the fiftieth anniversary celebrations.

I would suggest to honourable senators that the work which has been done in Canada is as impressive and inspiring and probably has greater credibility, considering its source, than comments that could be drawn from other parts of the world.

Honourable senators will remember that The Special Joint Committee of the Senate and the House of Commons Reviewing Canada's Foreign Policy, which tabled its report last fall, did examine the United Nations and made some very concrete suggestions for its future. Those recommendations are as relevant today as they were when they were made.

The weakness of the United Nations is the weakness of the member states. The inability of the world community to grapple effectively and successfully with the situation in Bosnia does not primarily stem from the United Nations itself; rather, it stems from the indecision and the difference of opinion among the Europeans and the Americans as to what action ought to be taken in Europe.

We recently heard the President of the United States, in Halifax, confess his inability to commit any concrete action to the resolution of that problem because of the expected refusal of the Congress. How can the United Nations cover itself with glory in the present circumstances when the leading single superpower in the world is unable to show the leadership that it must if the United Nations is to make the impact on the world that it ought to make in the future?

• (2020)

# ROUTINE PROCEEDINGS

## CN COMMERCIALIZATION BILL

### REPORT OF COMMITTEE

**Hon. Donald H. Oliver**, Chairman of the Standing Senate Committee on Transport and Communications, presented the following report:

Tuesday, June 27, 1995

The Standing Senate Committee on Transport and Communications has the honour to present its

ELEVENTH REPORT

Your Committee, to which was referred Bill C-89, An Act to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act and for the issuance and sale of shares of the Company to the public, has, in obedience to the Order of Reference of Thursday, June 22, 1995, examined the said Bill and has agreed to report the same without amendment.

Respectfully submitted,

DONALD H. OLIVER
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave, later this day.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill placed on the Orders of the Day for third reading later this day.

## CRIMINAL CODE

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Gérald-A. Beaudoin,** Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Tuesday, June 27, 1995

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

TWELFTH REPORT

Your Committee, to which was referred Bill C-41, An Act to amend the Criminal Code (sentencing) and other Acts in consequence thereof, has, in obedience to the Order of Reference of Wednesday, June 21, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

GÉRALD-A. BEAUDOIN
*Chairman*

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** With leave, now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

## CANADIAN DAIRY COMMISSION ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Dan Hays,** Chairman of the Standing Senate Committee on Agriculture and Forestry, presented the following report:

Tuesday, June 27, 1995

The Standing Senate Committee on Agriculture and Forestry has the honour to present its

EIGHTH REPORT

Your Committee, to which was referred Bill C-86, An Act to amend the Canadian Dairy Commission Act, has, in obedience to the Order of Reference of Wednesday, June 21, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

DAN HAYS
*Chairman*

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** With leave, now.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

## CHEMICAL WEAPONS CONVENTION IMPLEMENTATION BILL

REPORT OF COMMITTEE

**Hon. John B. Stewart,** Chairman of the Standing Senate Committee on Foreign Affairs, presented the following report:

Tuesday, June 27, 1995

The Standing Senate Committee on Foreign Affairs has the honour to present its

SEVENTH REPORT

Your Committee, to which was referred Bill C-87, An Act to implement the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, has, in obedience to the Order of Reference of Thursday, June 22, 1995, examined the said Bill and has agreed to report the same without amendment.

Respectfully submitted,

JOHN B. STEWART
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** With leave, later this day.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill placed on the Orders of the Day for third reading later this day.

## CRIMINAL CODE

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-72, to amend the Criminal Code (self-induced intoxication).

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

## CANADIAN WHEAT BOARD ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-92, to amend the Canadian Wheat Board Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

• (2030)

## GOVERNMENT ORGANIZATION BILL (FEDERAL AGENCIES)

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-65, to reorganize and dissolve certain federal agencies.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading later this day.

## CRIMINAL CODE YOUNG OFFENDERS ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-104, to amend the Criminal Code and the Young Offenders Act (forensic DNA analysis).

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 57(1)(*f*), bill placed on the Orders of the Day for second reading later this day.

## FOREIGN AFFAIRS

CANADA-UNITED STATES FREE TRADE AGREEMENT AND NORTH AMERICAN FREE TRADE AGREEMENT— COMMITTEE AUTHORIZED TO TABLE FINAL REPORT

**Hon. John B. Stewart**, with leave of the Senate and notwithstanding Rule 58(1)(*f*), moved:

That, notwithstanding usual practices, if the Senate is not sitting when the Report of the Standing Senate Committee on Foreign Affairs on Hemispheric Trade Relations is completed, the Committee, which was authorized by the Senate to monitor and report on the implementation and application in both countries of the Canada - United-States Free Trade Agreement, and on the implementation and application in Canada, the United-States and Mexico of the North American Free Trade Agreement, and was empowered to report no later than Thursday, December 14, 1995, shall deposit its Report with the Clerk of the Senate, and said Report shall thereupon be deemed to have been tabled in this Chamber.

Motion agreed to.

## FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Hon. John B. Stewart**, with leave of the Senate and notwithstanding Rule 58(1)*(f)*, moved:

> That the Standing Senate Committee on Foreign Affairs have power to sit at four o'clock in the afternoon, tomorrow, Wednesday, June 28, 1995, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**Hon. Finlay MacDonald:** I think we should ask for an explanation, honourable senators.

**Senator Stewart:** Honourable senators, the Foreign Affairs Committee has been examining some of the proposals with regard to international financial institutions. As Senator MacDonald will know, those institutions were the subject of discussions at the Halifax G-7 conference. We are hoping that tomorrow we will have the Deputy Minister to the Minister of Foreign Affairs and International Trade available as a witness. We would like to hear that evidence before the Senate goes away for the summer. This will be our last opportunity.

**Senator MacDonald:** It would have been sufficient to say that that was the only time that the witnesses could appear.

**Senator Stewart:** It may well be that the witnesses could appear at another time, but we could not.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

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# QUESTION PERIOD

## NATIONAL FINANCE

CONTROL OF DEBT AND DEFICIT—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, my question is directed to the Leader of the Government in the Senate and is with regard to Canadian banks. The Minister of Finance is having a bit of a session with them. I can well understand why he is doing what he is doing.

Having said that, has there been any consideration given by the government to possibly allaying the fears of the banks by going further to reducing the deficit and the debt?

The Mulroney government controlled inflation, and it is still well under control. Has the government any plans in this regard? Having dealt with the banks for the number of years that I was in business, I believe that the uncertainty among the banks is as a result of fear that the deficit and debt control efforts will not be effective. An escalation in interest rates could put them in jeopardy with their loans.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, the Minister of Finance has been very clear in stating that the government is committed to reducing the deficit to 3 per cent of GDP in three years. That commitment is on track, and the minister is pursuing it with confidence and zeal. He has also indicated that that is a very important step on the way to his ultimate goal of the total elimination of the deficit.

That is Mr. Martin's ultimate goal, but the 3 per cent of GDP objectivve has been the prominent commitment of this government. We are on track to reach that commitment, and to surpass it.

• (2040)

JOB CREATION—GOVERNMENT POLICY

**Hon. Gerry St. Germain:** Honourable senators, by way of a supplementary question, it is obvious that the uncertainty is there. It has been indicated that 3 per cent of GDP is not acceptable. I would like to know from the Leader of the Government whether the concern is really job creation. If the banks are not lending to small businesses, jobs will not be created. The greatest job creator this country has seen in recent years is the Mulroney trade agreement. Other people are taking credit for it, but it was the Mulroney trade agreement that we went to election on in 1988.

What programs does the government have in place, other than the infrastructure program that they came out with in the Red Book? How many long-term, long-lasting jobs will that program create, if any?

I would also like the honourable minister to elaborate concerning any future plans the government may have to create jobs, other than through beating on the banks, to which I do not take great offence because I have a certain bias toward the banks as well.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, naturally the total is not in on the infrastructure program. It is still very much in effect. Projects are being carried out across the country, and tens of thousands of jobs have been created.

I have said in this place on earlier occasions, however, that the goal of the infrastructure program was to kick-start job creation. That is what the three levels of government agreed to in setting up the program. It has turned out, not only in terms of job creation but also in terms of communities all across this country beginning projects, many of which are already completed. Without the program, many communities would have had to wait for years or possibly not have the infrastructure programs go ahead at all. They have been very successful and will continue to be so.

A number of other programs have been put forward by the Minister of Human Resources Development. I shall be pleased to get a list of those programs for my honourable friend.

The one main creator of jobs in this country is small business. This is the sector in which Mr. Martin is having a lot of difficulty with the chartered banks. There have been numerous pledges of easing access to small business over the years. These pledges have been hollow. Mr. Martin has been taking an extremely vigorous approach, not only in his budget but also in personal discussions with the chartered banks, for the good of the country, to convince them to ease their restrictions and offer greater access and support of small business. It is through that support that Canadians will be put back to work. That is the goal of everyone in this chamber.

## EXPO 2005

### SELECTION OF SITE—GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, my question is to the Honourable Leader of the Government in the Senate.

I understand that a decision has now been made by the government with respect to the location of the Expo site. Could she tell us what the site is?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, no decision has been made by the government. This matter is still under discussion.

**Senator Ghitter:** I understand from reports in Calgary today that in fact the decision has been made. The people involved have advised me that the decision is a "no-decision" — that is, the government has decided that they will not select either site because neither will guarantee any losses that may accrue. Is that an erroneous report circulating in Calgary today?

**Senator Fairbairn:** That is an erroneous report. No decision has been taken and the discussions continue.

**Senator Ghitter:** Will a decision be made before the end of the year, or when may we anticipate a decision?

**Senator Fairbairn:** Senator Ghitter, your impatience is equalled only by my own. I hope the decision will be made very soon.

## TRANSPORT

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—RESTORATION OF FUNDING TO DESIGNATED PROJECT—REQUEST FOR UPDATE

**Hon. J. Michael Forrestall:** Honourable senators, earlier last week the Member of Parliament for Cumberland-Colchester indicated — at least to Nova Scotians — through the press and the various media that solutions have been found by Ottawa to the difficulties of funding that stretch of Highway 104 known as "Death Valley".

The provincial minister of highways has indicated that he has heard nothing and that he knows nothing more, nor has he had any advice with respect to the federal government either freezing the funding that was taken away or restoring fresh or new funding to that particular problem.

Does the Leader of the Government in the Senate know whether or not there is any substance to the suggestion that solutions have been found or are about to be brought forward?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, frankly, I do not know. I will pursue the matter to try to find out what is in the wind tomorrow.

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—REQUEST FOR ANSWERS

**Hon. Gérald J. Comeau:** Honourable senators, my question involves the same subject and it concerns the diversion of $26 million in funds. Over the last number of weeks 11 questions have been asked on this subject, none of which have yet been answered. Could the Leader of the Government provide us with the time-frame within which we might expect answers to those questions?

After this past weekend's cabinet retreat, I had been hoping that we would have some solution to this problem that has been concerning Nova Scotians.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will try to hasten those responses. That is all I have to say.

## HEALTH

### BOVINE GROWTH HORMONE—LINK BETWEEN IGF-1 AND BREAST CANCER—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, I raised a question last week about the bovine growth hormone. The end of the one-year moratorium on rBST sales in Canada is just days away. The Canadian public is becoming aware that there are serious unresolved issues of potential harm to human health from milk produced by cows that receive this genetically engineered drug. Among them is a possible link between high levels of the insulin-like growth factor IGF-1 found in the milk and breast cancer. Last week *The Ottawa Citizen* published a letter, with scientific citations, again raising that possibility.

Medical scientists in the U.S., Canada and Britain have raised many concerns about IGF-1 in the last five years, and, yet, a House of Commons committee was told by a Monsanto official that Health Canada has given rBST a human health clearance and "there have been no comments or requests from Health Canada for further health studies since 1990."

In 1991, the Council on Scientific Affairs of the American Medical Association reported that,

> Further studies will be required to determine whether the ingestion of higher than normal concentrations of bovine insulin-like growth factors (IGF-1) is safe for children, adolescents and adults.

The U.S. National Institutes of Health made a similar call for further research.

My question for the government leader in the Senate is this: Will the government assure Canadians that Health Canada requires that critical research gaps — including the effect of the insulin-like growth factor and its possible link to breast cancer — be filled before issuing a notice of compliance to any manufacturer of rBST that would permit its sale in Canada?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will take Senator Spivak's specific question to my colleague, the Minister of Health, but I assure her that Health Canada is continuing its evaluation of rBST for safety and effectiveness. Until this evaluation is completed and a decision has been made, rBST cannot and will not be sold for use in Canada.

[*Translation*]

## COMMUNICATIONS

### GRANTING OF PUBLIC RELATIONS CONTRACT FOR G-7 SUMMIT—CONTRAVENTION OF TREASURY BOARD REGULATIONS—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, my question is directed to the Leader of the Government in the Senate. Yesterday's *Gazette* revealed that once again, and this is the tenth time, her government has contradicted the principles of its own Red Book, the book brandished everywhere by Liberal candidates during the last federal election.

Once again, you have gone against the principles of your electoral Bible. This time, we have a contract that was given without tender to a company belonging to your friends, in connection with the organization of the G-7 summit in Halifax.

*The Gazette* reported that Groupe Columbia Inc., whose partners, owners or shareholders are eminent Liberals — always according to *The Gazette* — obtained a government contract worth more than $100,000, according to one of the shareholders or owners of the company. Can the leader confirm that this contract was indeed given to a Montreal firm known as Groupe Columbia Inc.?

• (2050)

[*English*]

**Senator Berntson:** Tell us a joke.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, a contract was granted to that Montreal firm, which is well known for its skill and competence in the field of communications.

**Senator Berntson:** Along with a dozen others!

**Senator Fairbairn:** The firm was asked to perform a service for the Canadian government in a field in which it is highly specialized, and is able to perform with great speed and great skill.

**Senator Lynch-Staunton:** And at great cost, and no tender! An honest mistake.

**Senator Fairbairn:** That company did a fine job. The government was fortunate to have that kind of skill and competence to call on to undertake the task.

**Senator Lynch-Staunton:** An honest mistake, as Michel Dupuy would say.

**Senator Nolin:** Is the Leader of the Government aware that more than one company informed the government early this year that they would be pleased to serve the Government of Canada in that field? There is probably more than one company in Canada able to perform that type of service. Why did your government not ask for bids? The Treasury Board regulations require a bid for a contract of over $30,000. Why did you sole-source that contract, contrary to your Red Book promises?

**Senator Fairbairn:** I simply repeat that there was a job to be done, for which this particular firm was perfectly suited, since it is well known for its background and competence in that kind of communications advice. They were chosen by the government, and the company performed in a first-class manner for Canada in its work for the Halifax summit.

**Senator Nolin:** May I have the exact reasons why this company was chosen in this fashion? If the honourable senator does not have the reasons tonight, I can wait for an answer to my question until later this summer. There are some provisions in the Treasury Board regulations for going over the $30,000 limit. May I have the reasons that apply in this case? It is a serious matter.

For nine years, the Liberals argued in opposition that our government should not do such things, so we tried to comply with the rules laid down by Treasury Board. Now you are doing exactly the thing to which you previously objected. May we have those reasons?

**Senator Fairbairn:** I would be pleased to talk to the President of the Treasury Board and obtain an answer to my friend's question.

[*Translation*]

GRANTING OF PUBLIC RELATIONS CONTRACT FOR G-7 SUMMIT—REQUEST FOR ESTIMATED FINAL COST

**Hon. Jean-Maurice Simard:** Honourable senators, on the same topic, could the Leader of the Government in the Senate give an estimate of the total cost of the contract that was awarded, which was well in excess of the $30,000 limit. In fact, according to *The Gazette* and other information we have received, the total cost was well in excess of $100,000 and was probably closer to $400,000 than to $100,000.

Could the Leader of the Government give her estimate by the time we finish our work this week? Most of the bills should be in by now. Someone did an evaluation of the work. According to the Leader of the Government, this company did a magnificent job. I imagine the cost/quality ratio could be determined. Could she perhaps give us her estimate of the bill for this contract by Thursday noon?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** I will do my very best, as always, for Senator Simard.

GRANTING OF PUBLIC RELATIONS CONTRACT FOR G-7 SUMMIT—REQUEST FOR PARTICULARS ON ADVICE GIVEN TO RCMP

**Hon. Marcel Prud'homme:** Honourable senators, I just overheard many Liberals saying, "You did the same," and rightly so. I am ready to stand here and say that of course the Conservatives did the same, and they did so very happily. I was not with them then, and I am not with them today. If you have doubts, just watch me.

Would the Leader of the Government in the Senate ask the Solicitor General, Mr. Herb Gray, just what kind of advice a public relations firm can give to the RCMP, to explain to all Canadians why security would be so tight at the summit? I was not aware that the RCMP needed that type of advice. However, I am glad to hear that that is so, because now I will suggest many things to the RCMP as to how they should deal with security in Canada in the years to come. I am not being facetious when I say that.

Will the leader determine for us, through the Solicitor General, the type of advice that a public relations firm gives to the RCMP on how to control mobs and other groups?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will do my very best.

## DELAYED ANSWER

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a delayed answer to a question raised in the Senate on June 7, 1995 by the Honourable Senator Robertson regarding the collapse of the Atlantic fishery — longer-term provision for laid-off workers under the Atlantic Groundfish Strategy.

## FISHERIES

COLLAPSE OF ATLANTIC FISHERY—LONGER-TERM PROVISION FOR LAID-OFF WORKERS UNDER THE ATLANTIC GROUNDFISH STRATEGY—GOVERNMENT POSITION

*(Response to question raised by Hon. Brenda Robertson on June 7, 1995)*

The government has committed to TAGS as a comprehensive, 5 year, $1.9 billion program to provide income support and adjustment measures to those fishery workers who were most seriously affected by the groundfish crisis.

To date, over 52,600 workers have applied to the program and, 13,500 fishers and 25,500 plant workers have been approved. Many of the 39,000 who have been approved for the program continue to work in the fishery and many continue to qualify for UI benefits. As a result, only about 25,000 are drawing TAGS income support benefits at any one time.

The first year of a five year program has just been completed, and therefore, it is much too early to draw any conclusions regarding the success of the program or requirements for post - TAGS. There have been, to date, some significant results, as more than 16,500 clients are currently involved in training and the other various TAGS adjustment measures.

Further adjustment and harvesting capacity reduction is expected in the near future, as the first round of the TAGS Groundfish Licence Retirement Program has just been completed and over 2,000 applications were received from fishers who wish to exit the fishery on a permanent basis.

In addition, negotiations with the provinces are being finalized to implement Early Retirement Programs, both for fishermen and plant workers which will provide further adjustment of another 1,600 workers.

Ministers Axworthy and Tobin are currently finalizing the TAGS First Year Review. They will be making a submission to Cabinet in the near future. It is expected that there will be a commitment for an annual review.

The government is very much aware that there is an ongoing requirement to monitor both the success of TAGS and, in addition, the recovery/status of the resource.

Two thirds of the TAGS caseload consists of plant workers from the processing sector, which falls under provincial jurisdiction. Therefore, it is important that provinces make some firm commitments regarding capacity reduction in the processing sector as part of a long term strategy.

# ORDERS OF THE DAY

## CN COMMERCIALIZATION BILL

THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved the third reading of Bill C-89, to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act and for the issuance and sale of shares of the company to the public.

**Hon. J. Michael Forrestall:** Honourable senators, the committee had a meeting at a peculiar hour this morning; an hour that I gather was designed to suit the Minister of Transport, the elusive Mr. Doug Young, who had vowed not to appear before the Standing Senate Committee on Transport and Communications until the Pearson bill had been dealt with. However, Mr. Young attended and gave his usual good accounting of himself.

Perhaps because of the testimony of the six or seven other witnesses that we heard from this morning, rather than that of the Minister of Transport, I think we were generally satisfied that all due care and diligence will be taken with respect to the issuance of these shares. A particular watch will be kept to ensure that the difficulties faced by the investment community and by the transportation industry at the time of the sale of Air Canada's shares does not repeat itself. This, after all, is the largest undertaking of its kind in the history of this country. It is an enormous share offering, and it is underwritten, so we must be very careful.

• (2100)

Generally we on this side are satisfied that such care will be exercised and that the sale will go forward as portrayed by the bill.

Honourable senators, we did not view the bill itself for the protections which usually concern many of us in this chamber, particularly those who come from the extremities, the ports of Vancouver, Halifax, Saint John, et cetera. We did not look to this bill for any help there. However, when it comes before us, we will look closely for adequate protection measures in the new Transportation Act, for people such as captive shippers.

It was interesting to hear it admitted this morning, in response to questioning from a distinguished colleague on the other side, that this bill does nothing with respect to job creation. We spent much time today dealing with many issues but job creation was not among them. The only wealth creation that we could see will go to those underwriters and salesmen who peddle these shares. Who knows how many there will be when they are finished, but there will be quite a parcel of them.

Honourable senators, we are prepared to let the bill return to the other place without amendment. There is the matter, and I hope it is just an editorial problem, referred to by the distinguished chairman of our committee when he suggested that perhaps the clerks or the appropriate authorities could find some way to replace the word "Canada". It may have been inadvertently left out of the particular clause which suggested that the head office should remain in Montreal.

With those few words, honourable senators, I remind you that we are awaiting the presentation of the new Transport Act before taking our positions with respect to protecting the rights of Canadians in matters of transport, particularly with respect to Canadian National as it moves into the realm of Canadian heritage now. CN is part of our historical culture. When we return this fall, we will no longer be masters of that institution which has truly played a most significant part in the development of our nation. The railway has been the thread which has bound us together and allowed the varied regions of this country to develop.

In the hearts and minds of many Canadians, particularly older Canadians, Canadian National holds a very dear place. Indeed, CN is a bit of a mystique in our culture. In a sense, we are sorry to see it go, but the time has come for institutions such as Canadian National to be placed on the proper competitive level with other railway companies, notably, here in Canada, with Canadian Pacific.

**Hon. Brenda M. Robertson:** Honourable senators, there is much in Bill C-89 which I can support. I would feel somewhat neglectful if I did not speak to this bill. I would feel that I would not be representing the constituents of my province in particular if I failed to address some fundamental questions that Atlantic Canada must ask when dealing with the federal government and change: How will this change affect the regional interests of Atlantic Canada in the future? Is this change being managed properly? Are the interests of the region, which is acutely vulnerable to change in national policy, sufficiently protected? These questions are always a test for change in Atlantic Canada, and they have to be a test for Bill C-89.

Honourable senators, the federal Minister of Transport is on record as saying that a private sector CN, which will be the region's only national rail service, is under no obligation to maintain services to Eastern Canada. Of course, if it is not viable, then that makes good sense. Such a condition would only discourage investors necessary to the very survival of the rail service. However, what about the critical interests of the region's manufacturers and exporters who depend on rail service to ship their products to Central Canada and to the United States markets?

It is perhaps a cruel irony that, as the region's exporters become more confident in their ability to compete in markets opened up by the North American Free Trade Agreement and by the international trade agreement, they are becoming more anxious about solutions to transportation problems in connecting with these export markets.

Honourable senators, the commercialization of CN, following on the heels of the termination of the Atlantic Freight Assistance Program on July 1, could have the effect of making things go from bad to worse. Regardless of the fact that the region's manufacturers are shipping a large portion of their product to Central and Western Canada — which, according to the Atlantic Provinces Transportation Commission, impacts on 15,000 Atlantic Canada jobs — the federal government is terminating the program without properly assessing the consequences through an economic impact analysis.

Some time ago, I asked the minister about the possibility of having this economic impact analysis done to analyze our transportation problems. This really means that the region's exporters are in the situation of having very little time to adjust to this change. In fact, they have very little idea of the nature of the required adjustments. This is unacceptable. It could have been avoided had the federal government chosen to extend the termination of the Atlantic Freight Assistance Program to the end of the year, as was done with the termination of the freight assistance program, as those of you from Atlantic Canada will remember.

Honourable senators, it appears that CN commercialization has achieved widespread support in the region as the only hope for a viable rail service. The Atlantic Provinces Chamber of Commerce, for example, supports commercialization in principle, as I am sure we all do in this chamber. However, the chamber's concern, and my concern as well, is that the commercialization is proceeding in a transportation policy vacuum.

To put it another way, my concern is with the lack of details. In the absence of a rational, overall rail transportation policy, it is impossible to calculate the practical effects of this initiative on transportation services to the region's markets.

Notwithstanding the support for CN commercialization which has emerged in the region, the view presented by the Atlantic Provinces Transportation Commission, that CN privatization must be carefully managed concurrent with the reforms, regulations and taxation structures under which the railway industry operates, is a sensible suggestion and, in my view, one worthy of serious consideration. The Atlantic Provinces Transportation Commission has provided the federal Minister of

Transport with a set of criteria to identify essential rail lines, which could be the basis for establishing a core network of rail lines. Adopting the essential network concept would enable the federal minister to manage change in a rational manner by setting a standard against which, to quote the Task Force on CN Commercialization, "an orderly shredding of uneconomic assets be done."

• (2110)

In view of the fact that rail abandonment in Atlantic Canada has left the region with a bare-bones type of infrastructure connecting us to the rest of Canada, the application of the essential network concept could prevent the loss of essential rail lines — lines which may not be viable in the short term, but may prove to be so in the longer term. The loss of those lines would simply be disastrous to our exporters and to Atlantic economic development generally.

It is for these reasons, honourable senators, that I support the Atlantic Provinces Transportation Commission's recommendation that the essential network concept be implemented by Transport Canada in connection with the passage of Bill C-89. I shall be watching carefully as we develop a transport policy for our country.

The Saint John *Telegraph-Journal* warns that the privatization of CN has great potential for bungling. This, my honourable colleagues, must not happen. Reducing the costs of Canada's transportation system is good public policy, but that reduction has a cost of its own. In the case of Atlantic Canada, that cost could be the weakening of an economy in transition from dependency to competitiveness.

I support this bill as a realistic approach to improved efficiencies. However, it is incumbent upon the Minister of Transport to proceed in a manner which ensures the development of a modern, efficient, national rail transportation system, and thus to foster national and regional economic development.

I trust that my comments today will serve to remind the minister that the commercialization of CN, as well as allowing the rail industry to compete fairly with other industries, presents special challenges to manufacturers and shippers and to their employees in Atlantic Canada. We have been advised through a press statement by the Premier of our province, and by the Prime Minister in the last few days, that the moneys set aside for compensation of manufacturers affected by the termination of the Atlantic Freight Rate Assistance Program in New Brunswick will be spent in the next three years on highway construction. We certainly need the highways.

I suppose that, for the premier, highway construction is certainly more appealing in an election year than subsidies, but what about the manufacturers and the exporters? Where are the answers? There are many people in the Atlantic provinces, and particularly in my province of New Brunswick, who are looking for answers. I hope the Minister of Transport will be providing us with them very soon.

Motion agreed to and bill read third time and passed.

## CHEMICAL WEAPONS CONVENTION IMPLEMENTATION BILL

### THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved the third reading of Bill C-87, to implement the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction.

**Hon. A. Raynell Andreychuk:** Honourable senators, I wish to lend my support to this convention, one of the most significant conventions in which Canada has been involved. Almost ten years have passed since this process began.

Some of us who have worked overseas have seen the death and destruction that chemical weapons can produce in many war-torn places, often upon innocent children and civilian victims. Chemical warfare has often been described as the warfare of the future. This convention is timely; in fact, in the eyes of many, it is long overdue.

Honourable senators, I wish to commend the administrations which have shown that they can rise above the political debate in Canada. One of the problems with conventions is that there is not a consistent pattern of pressure as far as they are concerned. In this case, I am pleased to see that the contrary is true.

The negotiations on this convention were started some 10 years ago. Because of the tireless efforts of the administrations in Canada, I believe that we now have a successful convention. My difficulty with conventions of this type is that often in international fora, once a convention is passed, the ability to ratify it loses impetus after the countries which have proposed it ratify and sign on. The hopeful sign in this case is that some 65 countries will sign on. However, that is still a dismal record. It is often the errant countries that do not ratify these conventions.

I hope the government will continue to press this convention as a priority issue in the international field. I trust that the surveillance mechanisms will be put in place and complied with. The United Nations and other international conventions lie dormant in many cases because of a lack of enforcement. We cannot afford to have this convention languish for lack of compliance.

As I have pointed out, once having witnessed the devastation of chemical warfare, one cannot tolerate one more day without this convention in place, together with adequate and proper surveillance and supervision. I urge that this matter continue to be a priority for Canada and for the international scene. In this way, we can be assured that civilians will not suffer the consequences of the actions of errant countries, and that we have a world in which chemicals are used properly as opposed to being used for warfare.

As senators may know, many chemicals have a dual use. This convention does not restrict the use of chemicals for proper medical and other purposes. What this convention does is stop the abhorrent use of chemical warfare against innocent civilians and for warfare.

Today is an historic day for Canada, as we adopt one of the most significant international instruments that we have at our disposal. It is also unique because it is intended to bind together all countries. Unlike other conventions, it goes immediately to destroying chemical weapons that are now in place. Not only does it talk about the future destruction of chemicals, but also the immediate and imminent destruction of existing chemicals that can only be construed to be for use in chemical warfare.

Those of us who have worked in the area know the countries to which we refer. We believe that there is an optimistic mood at the moment to deal with the excesses of chemical warfare. I trust this convention will go a long way toward eradicating a problem that can be devastating, to say the least. I trust that this convention will be adhered to, and that we will not neglect this area to the point where a disaster could arise again.

Motion agreed to and bill read third time and passed.

[*Translation*]

## ROYAL CANADIAN MINT ACT

### BILL TO AMEND—SECOND READING

On the order:

> Resuming debate on the motion of the Honourable Senator Kenny, seconded by the Honourable Senator Stewart, for the second reading of Bill C-82, to amend the Royal Canadian Mint Act.

**Hon. Marcel Prud'homme:** Honourable senators, I know this bill will not be read the third time this evening because I understand the bill will be referred to committee and read the third time later on.

That being said, I will make only a few comments.

• (2120)

[*English*]

This has been a subject of great interest to me for many years. It is a very trivial subject, except if you start to think about the meaning of dollars, bills and coins.

I had the honour to sit in the House of Commons for many years. I have always promoted Canadianism. What better way to promote Canada than to teach the millions of new Canadians the history of Canada? How do we teach the history of Canada to people who have no knowledge of it because they have just arrived here or because they were not taught much in school about our traditions, our political history or our country?

Honourable senators, I am also a member of the Queen's Privy Council. I swore allegiance to the Queen of Canada. An oath is for life. I always say that the difference between Canada and Australia, for instance, is that we believe in a slow evolution of the history of our country. That is why I have always said that for as long as Queen Elizabeth II lives or does not abdicate, she is the Queen of Canada. However, Canadians must start reflecting now upon what the future should be for the head of state of Canada after the Queen dies or abdicates.

In Australia, they say that in the year 2000, come what may, they want to have a republic. I am not of that school, and I am not ashamed to say that in either language.

For those of you who may not know — I will brag a little bit on the eve of Canada Day — I have spoken over 284 times in Western Canada since becoming a member of Parliament. I take no lessons from any journalist, or from colleagues, for that matter. One of my dear sisters keeps a record of the places I have spoken in Western Canada. I had the great honour of meeting Senator Carstairs in Alberta. You may not know that she was a teacher. She invited me to her school. Even then I was told not to speak about the monarchy. I did not know what to talk about so, as I am known to do, I started talking about everything I was told not to talk about. I survived that visit to her school.

The time has come for Canadians to reflect on the history of Canada. Is anyone ashamed to see William Lyon Mackenzie King on the $50 bill? When new Canadians look at a $50 bill, if they can find one, and ask who that man is, they are told that it is William Lyon Mackenzie King who was the Prime Minister of Canada for 21 years. He served as Prime Minister longer than anyone in the Commonwealth.

The man on the $10 bill is Sir John A. Macdonald, the first Prime Minister of Canada. On the $5 bill is a great hero of the Liberal party, a great hero in Canada and a great hero of mine, whose bust I have in my office: Sir Wilfrid Laurier, another past Prime Minister of Canada. On the $100 bill is Sir Robert Borden, Prime Minister during the First World War from 1911 to 1917 and then in a coalition government from 1917 to 1920. Her Majesty the Queen is on the $1 bill, the $2 bill, the $20 bill and the $1,000 bill.

I have had the honour over the years of keeping the discussion going. In order not to insult people in Canada, one must be patient. That is the way this country functions best. You must go slowly in trying to convince one another. You move back and then you take a step forward. I am not new to this.

Jean Chrétien, my school friend, introduced a private members' bill in the old days. We always had the same feelings about Canadianizing our country. You may not know that it was Jean Chrétien's private members' bill which resulted in the change of Trans-Canada Airlines to Air Canada. Can you believe that there was a debate about that issue?

Remember the furious debate we had on the Canadian flag, which was supposed to terminate Canada forever. Recall also the debate on the metric system. We have seen nothing on the gun control debate that compares to the debate we had on the metric system which, it was said, would result in the taking over of Canada by the French.

The Honourable Mr. Dingwall sent over some information today. He offered us a briefing on this issue. I was amazed to see that he took this as a fait accompli, the proposed design and size, subject to Governor in Council approval on the recommendation of the Minister of Public Works and Government Service.

So far, so good. However, what will be on the face of the $2 coin? It says that on the obverse, "le motif de l'envers", in French, will be an effigy of Her Majesty the Queen. That is fine, but then it says that the reverse is to be determined by the government after public consultation.

It is very strange to go to the public to ask for a design for one side. There is no law which states what will be "à l'envers". Someone in the Department of Finance or the Bank of Canada decided that the Queen will be on every bill. I have proven them wrong in the past. I said, "What about the $5 bill, on which there is a great Canadian Prime Minister? What about the $10 bill?" They say it is against every rule in the world to have anyone other than the head of state on the coin.

All the American coins have different people on them. They are using their coins to teach. Either you build a country that way or you go "aux barricades", which I do not believe in. I believe that you gradually teach young Canadians, new Canadians, and even old Canadians whose minds are open enough to understand that that is one of the ways to build a country.

• (2130)

Since we are now to strike a new coin, my consultative friends, who knew of the love that I always had for Mr. Pearson, were all waiting for me to put forward a proposal. I also dealt with this bill in the House of Commons. It is not new for me today. In the seventies and in the eighties I proposed a similar bill. In my summation, I began to state "Therefore, I should propose that," and my honourable colleagues were waiting to jump on me. I went on to state "that the likeness of the Right Honourable John Diefenbaker be placed on the $1 coin." The Tories could not oppose that, but I did not get anywhere in any event, because it was already decided in the Finance Committee or by the Bank of Canada.

Canada is still in the process of building.

[*Translation*]

As I always said, Canada is a country which is in the making every day. It is not completed. It changes every day. It is not the country which our grandfathers knew, which my father knew, and which I knew when I first came to Parliament 30 years ago.

I understand that this bores you, but Canada is an extraordinary subject to discuss during the Canada Day week. Millions of dollars are spent on contracts with engineering and public relations firms to organize the festivities; yet, when we want to talk about Canada where it really counts, people seem indifferent.

When I see you smile, I know that you are thinking: here he goes again; he is so emotional. For heaven's sake, I am talking about my country.

[*English*]

I am fed up with how you people are able to make a passionate and emotional speech. How can you talk about matters in which you believe so much? You must have conviction, and show that you believe in what you say.

Have you ever heard Senator Robichaud speak? In 1960, I went as a student to make speeches for him in New Brunswick. If you talk about emotion tonight, you should have been there in 1960 when I was a student. He won the same year as Mr. Jean Lesage. What a great speaker he was. He was never accused of being too emotional. He was trying to talk about the rights of people living side by side in New Brunswick.

I will not depart from the subject-matter that will be put to the committee.

[*Translation*]

You know what a fait accompli is. Before we have a fait accompli, and are told that we could have spoken up sooner—

[*English*]

Since it is not being done yet, I encourage all honourable senators to accept Mr. Dingwall's offer to explain to us what this bill is all about and what they intend to do with it. His telephone number is 997-5421.

I hope that this bill will be sent to an appropriate committee by our distinguished Leader of the Government in the Senate. Perhaps we can call one witness only and ask, "Who has decided upon one side of the new coin?" It will then be a free-for-all with respect to the rest.

Motion agreed to and bill be read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Lowell Murray:** Honourable senators, in view of the decision that the Senate has just taken to refer Bill C-82 to the Standing Senate Committee on National Finance, as chairman of that committee, I am convening a meeting for 3 o'clock tomorrow afternoon in room 356-S. I am counting on our friends in the leadership of the government to produce a minister of the Crown, or a Secretary of State, or a parliamentary secretary, or someone authorized to speak on behalf of the government on this matter.

On motion of Senator Graham, bill referred to the Standing Senate Committee on National Finance.

## OLD AGE SECURITY ACT
## CANADA PENSION PLAN
## CHILDREN'S SPECIAL ALLOWANCES ACT
## UNEMPLOYMENT INSURANCE ACT

BILL TO AMEND—SECOND READING

**Hon. Lorne M. Bonnell** moved the second reading of Bill C-54, to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act, and the Unemployment Insurance Act.

He said: Honourable senators, this bill will not take the old age pension from senior citizens, in case you thought that was what it was intended to do. This is an important piece of legislation, and I appreciate the opportunity to speak on this bill to amend the legislation governing the Income Security Programs provided to senior citizens in Canada today.

Over the years, governments have had the opportunity to update and streamline legislation, which is of paramount importance to every Canadian. Perhaps we are not always conscious of the fact that these acts affect the lives of not just those millions of our fellow citizens who are retired, but of every Canadian citizen concerned about the well–being and security of our parents and friends who rely on retirement income.

If you will permit me, I wish to point out some numbers that will help put things in perspective. In Atlantic Canada alone there are almost 300,000 people who benefit from Old Age Security pensions. A number of them — 167,000 in fact — also get the income tested Guaranteed Income Supplement or Spouse's Allowance. Canada Pension Plan benefits are also paid to over 382,000 residents of Atlantic Canada.

These changes are important, not only to those who are retired but also to virtually every Canadian who anticipates retirement. We in this chamber may not think of this every day, but to most Canadians retirement comes closer and closer with every passing day. This is a compelling reason for members of the Senate to consider carefully the provisions of the bill which will make it easier for those who have earned the right to a secure income to obtain their entitlement.

Honourable senators, I would be the first to admit that this bill does not try to make major changes to the programs. It tries to reduce the number of inconsistencies between programs, provide choices and accommodate some of the requests that Canadians have made.

Our current programs are rooted in a great tradition. For many hundreds of years, people on this continent have respected, honoured and cared for their elders. This great tradition, common to the many cultures which comprise our nation, is the basis for the caring society that Canada has become today.

• (2140)

One important concern characterizes these proposed amendments to the legislation governing Old Age Security and the Canada Pension Plan. That concern is improving client services. All MPs and senators receive letters and phone calls from Canadians asking for help in dealing with income security matters. With many millions of senior citizens living in every city, town, and village throughout our vast country, it is normal that some would consider that they are not receiving the service they expect. All of us in this chamber have responded to the requests of senior citizens for help.

The department strives to be as responsive as possible, and this bill is a major step in improving services. Here are some examples of how the department is seeking to enhance services and to provide more flexibility for clients. On the one hand, they are being responsible in administering public funds. On the other hand, they are responding to the needs of millions of clients.

Those who are receiving spouses' allowance will be converted automatically to old age security pensions and, if applicable, to the guaranteed income supplement when they turn 65. Information already on file with the department can provide correct data which qualifies people for automatic conversions to the appropriate payment. This will help streamline services for the 20,000 people who become eligible each year.

The program will be able to continue paying guaranteed income supplements and spouses' allowance benefits even for clients who have applied late. We can better serve those seniors who, through illness or other reasons, neglect to apply for their benefits. This can benefit 100,000 people each year.

Everyone needs flexibility in managing their financial affairs to accommodate changes in personal circumstances, and that includes pensioners. For example, to manage their retirement income, many people assign payments of a benefit to a spouse when the need arises. They will be able to cancel an assignment or reassign their benefits at any time.

Taxation of retirement income always requires some attention: When it is to their advantage, clients will be able to request cancellation of their monthly Old Age Security payment. This can eliminate concerns about the taxation of this benefit.

While awaiting approval of payments of Old Age Security or Canada Pension Plan, clients often can obtain temporary benefits from the provincial and municipal governments or other sources, which are to be paid back. They can now request the department to repay benefits directly to those governments or, for example, the Department of Veterans Affairs.

Inevitably, some people apply for their pensions some time after they become eligible. They pass their sixty-fifth birthday without seeking their Canada Pension Plan payments. This bill makes such persons eligible for up to one year of retroactive benefits. No one wants to deny benefits to a person who has been ill or unable to apply. This measure will harmonize those payments with those of other federal and provincial agencies and allow for fair treatment.

Honourable senators, the changes contained in Bill C-54, some of which I have highlighted today, are the type of provisions which, over the years, have earned Canada a reputation as a caring society, a society which recognizes the needs of people who want and deserve security of income.

The legislation governing our income security programs needs, from time to time, careful examination, review, and revision. This is an important reason for us being in this chamber. In the past, members of Parliament and senators have regularly examined our programs, reviewed them in the light of changes in our society, and revised them to respond to those changes. We must do what is required to maintain a sound system, based on the foundations of the past and responsiveness to the needs of the future.

The federal income support system for seniors has made a significant contribution to Canada's economic security. Although an increasing number of people are living well beyond the age of 65, fewer are living in poverty. There is every reason to expect this trend to continue. This is tangible evidence that, well-founded on good planning, good understanding and goodwill, our great traditions, our heritage, our commitment as a caring society, are to continue on into the 21st century.

I invite all members to join in supporting this bill which will help benefit many deserving people throughout our country.

[*Translation*]

**Hon. Thérèse Lavoie-Roux:** Honourable senators, the government was probably well intentioned when it drafted Bill C-54, the purpose of which is to improve services to senior citizens and allow for more efficient program administration; to increase consistency between programs in the case of the Old Age Security Act and the Canada Pension Plan; to lower administration costs; to reduce overlap; to streamline procedures for clients of various departments; and finally, to make it possible for members of Parliament to be more helpful in dealing with their constituents. However, I have some concerns on which I will elaborate later on in the course of my speech.

The measures provided in this bill are essentially housekeeping measures and, as Senator Bonnell said, the bill certainly contains no major initiatives affecting senior citizens.

[*English*]

Bill C-54 proposes the following measures:

Authorize the Minister of Employment and Immigration to waive certain application and information requirements in certain Old Age Security cases.

Permit Old Age Security clients to cancel their benefits.

Streamline the appeal process for both the OAS and the Canada Pension Plan. Retired judges will voluntarily sit on pension appeal boards which will allow for appeals to be heard more quickly. This will give recipients an avenue of administrative recourse without them having to appeal to another court.

Allow clients to have their OAS debts forgiven if the debts are due to administrative error or erroneous advice by a departmental official. This is important to those seniors who would suffer undue hardship by being asked to pay back money they do not have.

Permit retroactive Canada Pension Plan retirement payments of up to one year. Back payments for Old Age Security benefits will be cut from five years to one year.

Allow information sharing with MPs who are representing a constituent.

Allow the government to waive the need to reapply for the spouses' allowance and the guaranteed income supplement each year. This measure is particularly important in that 1.4 million seniors, the majority of whom are women, must apply each year and wait until the application is received and approved before they get their payments. Eliminating this unnecessary process will allow the applicant to receive their benefits without delay and with a minimum of red tape. Many seniors whose incomes do not change significantly from year to year may never need to reapply.

Finally, allow the Minister of Justice, the Solicitor General, and the RCMP access to client information under certain circumstances. This is intended to help bring to justice suspected war criminals and recover the costs of housing federal convicts.

There is also a paragraph which allows the Departments of National Revenue, Finance, Supply and Services, Canada Employment and Immigration Commission, and Canada Post access to information. Who in the country will not know about you? The element that concerns me is that of giving information to Canada Post. I have read through *Hansard* from the House of Commons, and I did not like the reasoning behind this decision. Canada Post was included on the grounds that it could help accelerate the processing of pension cheques. To me, this is not sufficient justification for what amounts to another unnecessary intrusion on seniors' lives. In the time of rapidly advancing computer technology, there is an increasing ability to access private information. Consequently, we must be extremely cautious about the disclosure of this information. In particular, we must protect seniors from the potential abuse they may face if this information were to fall into the wrong hands.

• (2150)

Another concern I have is that a large part of this legislation will be handled by phone through voice mail. I must say this is not new. This was started by the former government. I always opposed it, and I oppose it still today.

It is true that in a few years the new group of seniors may be used to these kinds of services, but the reality of some of the seniors today is that they do not understand or wish to deal with a computer. We are all young people in this place and do not know that kind of problem, but as you get older, you quite often develop a hearing impairment, and it gets to be extremely confusing for senior people. I do not think this is progress in this day and age.

[*Translation*]

While these measures ease some regulations which needlessly complicate seniors' lives, they do not bring any fundamental change to the social security system for these seniors.

After one and half years in office, the government is postponing to another six months the report on pension and other reforms affecting seniors. The promised consultation will not take place before the fall. The public is well aware that our social programs must be reviewed and restructured, and it generally recognizes that some cuts will inevitably follow.

However, seniors want their government to guarantee them some minimum security. They are concerned that the anticipated report will probably propose major cuts in the programs affecting them. In his last budget, the Minister of Finance pretty well left seniors' benefits untouched, but he made it clear that they would be his next target.

Here are the basic principles stated in the budget which will underlie that reform: integral maintenance of the protection afforded to all seniors who are poor (including those who receive the guaranteed income supplement); maintenance of full indexation of benefits to protect seniors against inflation; income security benefits based on family income instead of individual income, as is the case for the guaranteed income supplement; and reinforcement of the progressive nature of benefits, according to the level of income.

[*English*]

Seniors groups are very concerned about the proposal that the clawback on the Old Age Security, which presently applies to individual income, be applied on the basis of family income. This would mean that women who are 65 and over receiving Old Age Security would lose their Old Age Security based on their spouse's income. The main victim would generally be older married women, especially women who have stayed at home all their lives and whose husbands had an alternate source of

income. These women, in general, would not have anywhere near the income of their husbands. Consequently, the government's aim to control program costs suggests that the government is looking to achieve savings at the expense of these already marginalized women.

Honourable senators, many women who are over 65, 70 or 75 today never earned a penny, though they worked very hard at home to raise families with many children. They depended on their husband's goodwill to get a penny to buy a pair of stockings or a pair of shoes. The men on all sides of this chamber have never known that, but this is the reality of most of the women who today are over 65. Now we think we can save money by calculating the Old Age Pension.

I have no problem with cutting Old Age Pensions for higher income seniors, but to save money by calculating the Old Age Security on a sole income or the common income of a husband and wife will make it hard for women of this generation who are 65 and over. It might be different later when many more women will have been on the —

[*Translation*]

— labour market and have a pension, a salary like their spouses have now. Another point which is funny in a way, is that the government may be encouraging seniors to separate.

**Senator Prud'homme:** That is exactly what will happen.

**Senator Lavoie-Roux:** If they separate, their income will be calculated separately. However, if they stay together — I would like to use a more colourful expression but I will refrain —

**Senator Prud'homme:** Go ahead, it is a fact of life.

**Senator Lavoie-Roux:** I suppose that women who lasted 35, 40 or 45 years with their spouse might follow the example of the younger generation where separating is no big deal. I think that is a fact to be reckoned with.

The reason I mention this today is that apparently there was a cabinet meeting, at least according to the news on television and radio, where this matter was discussed. I hope they will really try to consider all the repercussions.

As some analysts pointed out, we have an aging population and OAS reform is one of the main fiscal imperatives. I accept the principle, but how are we going to do it?

During the 1994-95 fiscal year, old age security, guaranteed income supplement and spouse's allowance cost the federal treasury $20.6 billion. That is nearly twice as much as ten years ago, and it is expected this figure will increase by 60 per cent over the next few years.

In addition to old age security, it is also necessary to consider the Canada Pension Plan. People will object that it does not form part of the bill, and I agree. We cannot go on considering all aspects of old age security in such a fragmented manner.

Basically, OAS is a combination of the old age pension, in some cases the guaranteed income supplement is added, plus CPP and finally other kinds of pensions, if any. So the whole range of old age security should be considered, and everybody knows that the Canada Pension Plan is not ironclad. People who tell us that the plan is sound and that the answer is to raise premium rates may be in for quite a surprise. Apparently, that will not be enough, since premiums fall far short of the projected payments.

[*English*]

To conclude, honourable senators, this bill is strictly administrative in nature, but so much more needs to be put on the table in order that the elderly get more appropriate answers to the many questions they have in relation to their financial security, questions that have been left unanswered for too long. This bill, however, is a good effort to simplify administration and will allow seniors to avoid unnecessary red tape in the future.

As for the more fundamental questions relating to Old Age Security itself, the Canada Pension Plan, the Guaranteed Income Supplement, et cetera, we hope they will be addressed soon so that Canadians can plan their retirement with a certain peace of mind regarding the security of their pension, whether it is the Old Age Pension or the Canada Pension Plan.

**Senator Prud'homme:** Honourable senators, I do not apologize for speaking on this matter, but I will say that I am sorry to take up time because there are many bills to come. I wish to speak to most of them.

• (2200)

On this particular bill, the words of a populist member of the House of Commons come back to haunt me tonight. The member's name was Mr. Malépart, a great friend, a great protector, a great guardian. I assure you, more than anything else, I shall remember that I stood by Jean-Claude Malépart in all his fights. I see some senators not far from you who stood with Jean-Claude Malépart in his great fight.

I do not know what the government has in mind. The government has the right to propose and make public some new policies, but I will say clearly: Do not touch those who need it the most, our senior citizens. On this one, Marcel Prud'homme will make no concession. I am an older man but I can still organize rapidly and well.

I repeat, I do not know what the government has in mind. They have the right to propose new avenues to cut the deficit, but we certainly will not accept cutting the deficit on the backs of those who need it the most.

I know this proposal did not come from Jean Chrétien. I know that Jean Chrétien does not intend to go after those who need it most. Such a proposal is the total opposite of that for which Jean Chrétien has stood all of his life. He has said time and again, "Do not agitate."

For us here, it may be simple. We are talking about a few dollars. However, I am still almost a member of the House of Commons.

People get nervous so quickly. They see the way the issue is interpreted in the press, and they go to bed at night worrying that the government will take away their pensions. So much damage is done, not by us, but by the interpretation that is given by certain announcements. Surely, a government has the right to look into all the social programs without alerting people that those who need it most will pay for it at the end of the day.

Senator Graham and colleagues, you know that, in politics, perception is everything.

[*Translation*]

I just had a quick discussion, and I wish to be on the record as saying: "I know that is not what Jean Chrétien believes". If this were just before the referendum, I would go around saying: "That is not true, that is not what Jean Chrétien wants to do". I would go to the province of Quebec with Senator Bacon and Senator Lavoie-Roux to say it is not true. Jean Chrétien always says: "We must be careful".

[*English*]

It is better to be on the record early rather than later or not at all.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.

[*Translation*]

## MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

BILL TO AMEND—SECOND READING

**Hon. Pierre De Bané** moved the second reading of Bill C-85, to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision.

He said: Honourable senators, I am pleased to introduce the second reading stage of Bill C-85, to amend the Members of Parliament Retiring Allowances Act.

Honourable senators are probably aware that a reform of the pension plan for members of Parliament has been the subject of spirited public debate and considerable controversy for quite a number of years. Although criticism is mainly directed at the allowances received by members of the House of Commons, former senators are sometimes the target of criticism when they accept an appointment within the federal administration and receive both a salary and a pension from the same government source.

The purpose of this bill is to amend those elements of the Members of Parliament Retiring Allowances Act which, in the opinion of the government, have come in for the most criticism.

[*English*]

Bill C-85 represents a balancing of taxpayers' concerns and the need for a fair compensation package for those who serve in public office. The independent review cited in the Red Book is the "Study of Parliamentarians Compensation" carried out by the pension and compensation consulting firm of Sobeco, Ernst & Young. This report was delivered to the current government in March 1994 with specific recommendations on compensation issues for senators and MPs that went beyond just the pension plan.

Honourable senators, in addition to anticipating the report, the Red Book went further:

> Whatever the results of the independent review, a Liberal government will reform the pension plan of Members of Parliament to end "double dipping".

It was saying, in effect, that members of Parliament should not be able to leave office and receive a pension from the federal government if they accept a new full-time, paying job from the federal government.

The Red Book continues:

> In addition, we will review the question of the minimum age at which pensions will begin to be paid.

I should add that consultations included not only senators and government members but also members of the opposition parties.

The Sobeco, Ernst & Young study had concluded that the overall compensation level for members of Parliament was about right. In fact, the overall compensation level when compared to the private sector was not in the least excessive.

If we cannot increase salaries, and this is the situation now, how much can we do on the other side of the equation in terms of decreasing the pension plan? That has been one of the key considerations in the process of reform of pensions for parliamentarians.

A second study on parliamentarians' compensation was made by the Lapointe commission, a commission mandated by the Parliament of Canada to review the adequacy of allowances for senators and MPs.

The commission was chaired by the Honourable Charles Lapointe, a respected former federal cabinet minister, who sat with Jean Pigott, a former member of the House, and Professor C. E. S. Franks from Queen's University, a noted academic expert on parliamentary affairs.

The point of interest in the context of Bill C-85 is that the commission's recommendations, while not totally mirroring the Sobeco consultants report, nevertheless, were quite similar. The total compensation approach was again recommended with an increase in salary and a decrease in pension benefits while maintaining the same overall compensation level.

• (2210)

I move now to the question of minimum age. The current legislation provides for pension benefits for senators and MPs who serve six or more years in Parliament. A member can start drawing a pension immediately upon leaving Parliament, regardless of age. Bill C-85 would establish age 55 as the pensionable age, for a number of reasons, one of which is that this was recommended in the Lapointe commission report.

A stand-alone age and not an age and service combination was chosen primarily because parliamentarians do not, as a practice, serve for long periods of time in public office. Many people in the other House do not serve long enough to collect a pension at all.

[*Translation*]

According to Bill C-85, double dipping occurs when a former senator or member of the House of Commons is in receipt of a pension under this act and enters into employment, appointment or a personal service contract within the federal public sector earning remuneration from those activities in excess of $5,000 annually.

This amendment will put a stop to a practice that is unacceptable to many Canadians. In future, the pensions of former MPs and senators who have left public office and secured paid employment within the federal government's jurisdiction will be reduced dollar for dollar. A $5,000 threshold will be established to avoid penalizing part-time income earners.

As a result of the proposed legislation, the costs of the pension plan will be significantly reduced in 1995. The cost to the government will drop by about 33 per cent. That is a direct saving to the Canadian taxpayer of some $3.3 million from a $10 million pension contribution for that year.

As senators have probably understood, the protection they receive under the Members of Parliament Retiring Allowances Act remains mandatory. The last provision of the bill which I intend to discuss is found in clause 4, which recognizes common law spouses for the purposes of survivor benefits, as is the case under several pension plans for public service employees, members of the Armed Forces and the RCMP.

In concluding, honourable senators, speaking on my own behalf, I would like to see a group examine a plan for a system proposed by a group of members in Quebec City and suggested here in Ottawa by the honourable member for Gatineau—La Lièvre, Mark Assad. In this system the member of Parliament and the government each contribute equal amounts of approximately $9,000 annually for a maximum of 8 years. According to the honourable member's calculations, after eight years during which both parties would have contributed the same amount of, for instance $9,000, this would add up to $72,000 contributed by the parliamentarian and $72,000 by the government, and if we add compound interest at an average rate of 8.5 per cent which works out to $67,000, this would give us a total of $211,000. That is the maximum amount which the parliamentarian will have contributed over eight years, the government will have matched that amount, and both amounts can then be invested in a so-called special RRSP.

If after eight years the parliamentarian leaves public life, he is given that amount, which he can then invest in an RRSP. There is no more paperwork, no more administration involved, and of course this kind of system has many advantages. The honourable member for Gatineau—La Lièvre calculated that after twelve years, under the present system the retired parliamentarian gets around $31,000, while under the system suggested by the honourable member for Gatineau—La Lièvre, it would be over $38,000.

Of course, upon the death of the beneficiary, the spouse and the children inherit the total amount in the RRSP.

That is a suggestion which I personally would like to discuss at some other time, but we must admit that the amendments proposed by the government and passed by the other place are a vast improvement, as they take into account the recommendations of two commissions which conducted studies on the subject, the Sobeco commission and the Lapointe commission, by putting a stop to what is usually referred to as double dipping, by letting the spouse be a beneficiary as well, and finally by ensuring that the pension cannot be paid to a beneficiary who has not reached the age of 55.

Honourable senators, for all of these reasons, I hope that this bill will be passed as soon as possible.

[*English*]

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I do not intend to speak at length on Bill C-85. My colleague opposite has done a good job of providing a description of the general provisions and purposes of the legislation. I do not think it needs repeating.

This legislation, while important, probably does not have the same impact on our day-to-day activities as it has on that of our colleagues in the other place. Many of us here are still working hard well beyond the age of 55, some further beyond it than others.

With regard to the so-called double dipping prohibition, I think I can safely say that not many from our side were expecting an appointment to a government board or agency any time soon.

Amending the compensation paid through pensions, et cetera, to public officials, elected or otherwise, is never an easy exercise. It is a necessary exercise, nevertheless.

I was amused to read the press release issued the day this legislation was tabled in the house which, not surprisingly, mentions the "little Red Book" as being the precursor to this initiative.

If the truth be known, honourable senators, it was then Prime Minister Kim Campbell, in August of 1993, long before the little Red Book, who outlined some of the key provisions of the bill; specifically those pertaining to double dipping and the disallowance of pensions until age 55.

Honourable senators, while there may be some objection to the bill, I do not believe there is strong objection from our side to it going to committee, where concerns can be raised with the proper officials.

[*Translation*]

**Senator Prud'homme:** This is a very important bill. I look on both sides of this house and I can tell honourable senators that you are much more affected by this legislation than you think. I am not opposed to the bill. I simply want to draw your attention to some specific points.

[*English*]

I find it extremely shocking that the newspapers erroneously reported last week that Parliament had adjourned for the summer. I hope that the Leader of the Government in the Senate or the Speaker will write to the press and tell them that Parliament has not adjourned. We are part of Parliament.

The time has come for people to stand up and say that there is a difference between government and Parliament. The time has come for honourable senators to stop refusing to be referred to as MPs. A senator is a member of Parliament, as is a member of the House of Commons. I never attack the press, and I survive very well without them, but they should know what they are talking about on certain issues. Parliament has not adjourned for the summer. The Senate is sitting.

• (2220)

Members of the press said some senators have pensions because they were MPs. Try to understand the confusion. They were MPs; therefore, they have a pension. I am one of them.

I wish to put on the record that if I were to leave today after 31 years of service, I would receive a pension of close to $49,000 a year. I am 60 years old. I went on radio and explained my position. You can shout and yell, but at least listen to the explanation. At the end of the radio program, there were a lot fewer questions.

People are under the impression that some ex-members of the House are collecting a pension. I look around this place, and I will name some. Senators De Bané, MacEachen, Austin, Gauthier, Stewart, Murray, Kelleher, Balfour, Prud'homme, Comeau, Forrestall and Corbin. We are not double dippers. Yet, we fully contributed.

There is so much confusion about double dipping. People do not know exactly what it is. The country is living with double dippers, but we never explain what double dipping is. No one has studied what it really means.

I am not blaming anyone from the military and the tens of thousands who are double dippers; and I am not naming ex-members of provincial houses because they paid — they are entitled. If you start naming every single group, you end up having only senators who used to serve their country very well in the House of Commons. It is unfair that we do not stand up. We should be ready to go on radio and television. I was called, and I did not turn that opportunity down. I explained.

I met last week a high civil servant from an important department. He is 57 years old. He took his retirement. He now has a good contract as an advisor to National Defence with a full pension from another department. How many of them are there? Canadians do not know, but they always pin down the members of the House or senators. We are fair game, apparently.

No one stands up to defend us. Well, honourable senators, I do. I am proud to be a senator. I was equally proud to be a member of the House of Commons serving my country.

I am the one who instituted an end to double dipping when I was chairman of the Members' Services Committee of the House of Commons. My report still stands. The *Hill Times* could publish it. It was tabled many years ago, but no one implemented it. Now it looks as if it is new.

A friend of mine, a lawyer, Paul Sabourin, said this is —

[*Translation*]

— the elite corrupting the elite.

[*English*]

That is what he said. I thought it was strong language.

Honourable senators, perhaps we should not pass this bill so quickly on third reading. Perhaps we should send it to a proper committee. We should call someone to explain to us what double dipping means and how many people in Canada do it. We would educate ourselves and the country at the same time. We would do a lot for the sanity of public affairs in this country if we were to do that.

When I read what has been said about this matter, I believe Canadians have a desire, and rightly so, to know what is perceived to be double dipping. It is not correct to have judges of high courts serving in the House and receiving both a pension and a salary. I do not approve of retroactive laws, but I think for the future this is a good measure.

Honourable senators, something else in the bill should be looked into carefully. Many years ago, I remember that one night we amended a bill on veterans pensions. Within an hour, after all kinds of silly jokes, we allowed common-law wives or spouses to receive a pension after one year of cohabitation. No one stood up. I was laughed at. I asked if anyone would defend those who were married for 30 years, especially the women that Senator Lavoie-Roux talked about earlier tonight, the women who went through wars with their husbands, and who, at the end of their lives, saw their husbands divorce them. One year living common-law, and who gets the pension? You call that fair?

I will read the bill.

[*Translation*]

On page 4, in clause 4, subsection 20(1) of the Act is replaced by the following:

[*English*]

I may be wrong, but it would be nice to be told that by those who drafted the bill.

Proposed subsection 20(1) of the bill reads as follows:

> On the death of a member or a former member, there shall be paid
>
> (*a*) to
>
> (ii) any person of the opposite sex who establishes that the person was cohabiting in a conjugal relationship with the member or former member for at least one year immediately before the death...

It is the same thing coming back? I may be wrong.

Do you understand?

[*Translation*]

I am not opinionated.

[*English*]

That is why I would like this bill to go to a committee. Senator De Bané says I am wrong. That is why I raise this issue here. That is what the Senate is all about. People raise questions at the committee level.

Honourable senators, the question should be put to an appropriate committee so that senators will call witnesses to explain what double dipping means. We will have accomplished something if we did that. We could use that information for those of us who like to go on radio and television or to other public venues. It would give us something to talk about.

It is sad to see what is being said in the country about this bill. People are very upset. Everyone has a reason to be upset. Who do they go after? They go after their political institutions. That is dangerous in a democracy. Everyone goes after the political system.

I wait for Senator De Bané to give me an answer on my first intervention on this bill. I know I was right with respect to the question of veterans. Of that I am sure.

• (2230)

**The Hon. the Speaker:** If the Honourable Senator De Bané speaks now, his speech will have the effect of closing the debate at second reading.

**Senator De Bané:** My honourable friend has brought our attention to the instance where a parliamentarian would separate from his spouse and then have a de facto relationship with another person. He says, "My God, he could live with that person for one year, and she would get the whole pension." He quoted page 4 of the bill. I bring his attention to page 5, clause 1.1(*b*). Let us say a member with ten years in Parliament was married for nine years and then lived with someone for one year. His legal spouse would receive 90 per cent of his pension and the other person would receive 10 per cent. The problem brought to our attention by the honourable senator has been dealt with in the bill. It is absolutely clear.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on National Finance.

## BUSINESS DEVELOPMENT BANK OF CANADA BILL

SECOND READING

**Hon. Peter Bosa** moved second reading of Bill C-91, to continue the Federal Business Development Bank under the name Business Development Bank of Canada.

He said: Honourable senators, I am pleased to begin debate on second reading of Bill C-91, the Business Development Bank of Canada Act.

This legislation moved quickly through the other place. Briefly, the members of the Commons Industry Committee focused their attention on the issue of complementarity: how to design the legislation so that the bank will complement and not compete with the private sector financial community. The government heeded the Reform Party's concerns in amending section 18(4) to reinforce the bank's role in financial transactions by specifying that the purpose be to reduce financial risk. A third amendment ensures that an initial parliamentary review of the bank's registration be conducted after five years and every ten years thereafter.

Proposed amendments were also incorporated at the report and third reading stages.

[*Translation*]

Honourable senators, the government has made Bill C-91 one of its main priorities because the purpose of this legislation is to help small businesses. It changes the mission of a Crown corporation which, so far, has played an important role in helping Canadian small businesses obtain the financing they need to ensure their growth and prosperity. Small businesses employ more than half of the Canadians who work in the private sector. Since the early eighties, these businesses have created 87 per cent of all new jobs in Canada.

[*English*]

This legislation has moved quickly and efficiently to the point where we can now examine it in more detail today.

The government has placed high priority on this legislation because Bill C-91 helps small businesses. It changes the mandate of a Crown corporation that has proven itself invaluable in helping small- and medium-sized businesses in Canada obtain the financing they need to grow and prosper.

Small businesses employ more than half of Canadians working in the private sector. Since the early 1980s, small businesses have created 87 per cent of all new jobs in Canada. Small businesses face enormous challenges in responding to the demands of a fast-paced, knowledge-intensive, global economy. Among the most critical of these challenges is the need for access to both debt and equity financing.

For over 50 years, a vital link between the small- and medium-sized business community and the capital these enterprises require to grow has been the Federal Business Development Bank and its predecessor, the Industrial Bank of Canada. The bank has authorized some 175,000 loans totalling more than $14.6 billion dollars. Over the past six years, the bank has lent over $4 billion to Canadian entrepreneurs and at no cost to the government. This new lending is estimated to have created more than 30,000 permanent jobs.

About three-quarters of bank loans go to businesses with 10 employees or less, and 96 per cent go to businesses with 50 employees or less. Fully 55 per cent of the bank's loans go to non-urban areas, although these areas represent only 39 per cent of Canada's population.

Some 82 per cent of the bank loans are for amounts under $250,000, and 63 per cent are for amounts under $100,000. The bank thereby responds to one of the gaps that commercial lenders have left in serving their business clients: the size gap that makes smaller transactions less cost effective for private sector financial institutions to finance loans of less than $250,000.

Another gap is the reluctance of the private sector financial institutions to take a risk in lending to small businesses, even at interest rates which reflect the higher risks associated with those loans.

A third gap arises from the lack of knowledge that financial institutions have regarding the nature of a particular emerging industry in the new economy. They do not yet have a tried-and-true method to assess the risk in lending or investing in new industries. They look for bricks and mortar as collateral, but how do you assess the viability of small companies where the key assets may consist largely of software under development or the skills of an engineer?

Finally, commercial lenders are cautious about providing financing on flexible terms to promising businesses. Additional lenders typically require a stream of payments over the term of a loan. Small businesses in their early stages sometimes cannot service these debts, and they need more flexible terms.

These are the gaps that a renewed FDBD has been designed to fill. In addition, the bank provides management services for small- and medium-sized businesses. The CASE program, for example, provides over 1100 bank counsellors who help firms improve their methods of doing business. The bank's mentoring programs, such as the Community Business Initiatives, saw 43,000 business people participate last year. The bank also provides training through business management seminars and courses which drew 35,000 participants last year.

Many Canadian businesses have relied upon the FBDB either for capital or for business training. In fact, it is estimated that one out of every five small businesses in Canada today has at one point turned to the FBDB for assistance.

Under its existing legislation, the Federal Business Development Bank is approaching its statutory ceiling and financing ratios. Once it has access to new capital, it must begin rationing loans and investments.

Honourable senators will appreciate that now is not the time to slow down the bank's activities. Canadian businesses have emerged from the recession and are preparing to take advantage of new opportunities in a global economy. If ever there was a time when the bank needed strength and flexibility to help its clients, the time is now.

This legislation provides the bank with that strength and flexibility so that it can increase its financing and management products. The strength will come from a new capital structure that will increase the bank's capital base. The government's existing investments will be converted to common shares, of which the government will be the sole holder now and in the future.

• (2240)

In addition, the government will be able to issue hybrid capital instruments to be held by non-government investors. Such instruments will be issued subject to appropriate securities regulations and will not be subject to any government guarantee. These instruments will provide a vehicle for raising capital to meet future requirements. This approach will allow the bank to achieve its objectives without any impact on the deficit. The bank will continue to be fully cost recoverable in financial services. This will provide the bank with strength.

Honourable senators should be aware that no government funding is sought for the changes to be implemented in this bill. The bank's lending division is and will continue to be self-financing.

The flexibility will come from the new partnership that the bank will be able to strike with other government departments and agencies. For example, the bank will administer the Cultural Industries Development Fund on behalf of Heritage Canada and the Students Business Loans of Human Resources Development Canada.

The Federal Business Development Bank Act of 1974 limited the bank's ability to enter into agreements with non-business enterprises. On occasion, however, government organizations, including provincial agencies, approached the FBDB to collaborate in the delivery of management or financial services. The bank has been unable to participate because of the absence of legislative authority.

Other federal government credit granting agencies, such as the Farm Credit Corporation and the Export Development Corporation, have no similar restrictions. They are able to enter into partnerships with non-business clients so that other public sector departments and agencies can take advantage of their profession's expertise in designing programs to meet the needs of their clients.

The legislation before us removes the restriction that prevented the bank from entering into joint ventures and the delivery of financial assistance programs on behalf of other departments and agencies. The bank will continue to abide by its usual criteria in entering these partnerships but it will have more flexibility to work with other organizations.

Overall, Bill C-91 moves the bank towards increased activity in smaller loans and investments in its lending and venture capital programs. It leads us toward increased quasi-equity and working capital financing that will focus more on knowledge-based and exporting firms. The legislation also contains a number of housekeeping measures. It will help the bank improve customer service through an internal ombudsman, a client charter of rights, and increased responsiveness to customer needs.

Finally, the legislation gives the bank a new name: The Business Development Bank of Canada. The new name symbolizes the new mandate and the government's renewed emphasis on assisting small business in Canada.

I hope that honourable senators will join me in supporting this legislation.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, while the stated objectives of Bill C-91 find little opposition, there is less consensus as to whether or not the legislation itself will support or achieve the stated objectives.

Unfortunately, our spokesman on this bill is unavoidably away at this hour of the evening, but he has indicated to me that the concerns that he would raise could be adequately raised in committee or at third reading.

For our part, honourable senators, we are prepared to see this bill go to committee at this time.

Motion agreed to and bill read a second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Bosa, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

## CRIMINAL CODE

BILL TO AMEND—SECOND READING

**Hon. Philippe Deane Gigantès** moved the second reading of Bill C-72, to amend the Criminal Code (self-induced intoxication).

He said: Honourable senators, mercifully, this is a very short bill. Honourable senators have the bill to which I am speaking. It is half of one page and half a column with a preamble.

Since the hour is late and everyone is tired, my speech will be as brief as the bill.

It is a bill that was prepared to deal with a shock the country felt after the *Daviault* case. Mr. Daviault attacked a woman who was partly paralyzed. He assaulted her sexually, and then claimed that he was so drunk as to be in a state of automatism.

On the basis not of legislation but of common law developments in the courts, such a defence had been accepted before for crimes of general intent, but not for crimes of specific intent. A crime of specific intent means that you have planned it and you wanted to commit a specific crime. The defence of drunkenness had never been admitted in such crimes.

This bill now makes the defence of drunkenness inadmissible in crimes of general intent. The way in which the bill does this is to say that there is a standard of behaviour which the whole country considers to be not only acceptable but also proper for everyone to follow. If you breach that by committing an act that affects the integrity of the person of another inhabitant of this country, then you have breached this code, and to claim you were too drunk is no defence.

There were two ways of handling this problem after the *Daviault* case in which the court decisions, both for the majority and the minority, invited the legislators to find a remedy. One was to define a new offence, which I attempted to do in Bill S-6 and call this defence, as I did, dangerous intoxication. There were three copycat bills in the House of Commons on the same subject.

However, what I was proposing had disadvantages. Women lawyers, among others, pointed out that one of the main disadvantages was that if there was this Catch-22 device that I had put in — in other words, you commit a crime under self-induced intoxication, which is important, and then you say "I did not know what I was doing. I do not remember. I was too drunk." — by the very fact that you plead this defence, you plead guilty to the offence of being in a state of self-induced intoxication while committing a prohibited act.

• (2250)

Women lawyers pointed out that there was a labelling problem; that people who had committed rape or aggravated sexual assault would now be put on the books as having been guilty of dangerous intoxication, rather than rape or aggravated sexual assault. It is necessary, they said, to call a spade, a spade. Somebody who is condemned for an illegal act, a reprehensible act, should be labelled properly.

There were also problems presented by other lawyers involving Charter difficulties which led the court to accept that the *Daviault* defence might be raised in a case in which this new offence of dangerous intoxication was used to catch someone who would claim "I did not know what I was doing."

For that reason, and after wide consultation with the public and lawyers, the Minister of Justice decided on this other avenue, which is to set out in a preamble, which appears in the bill, what is acceptable behaviour, and then to say that if you breach that behaviour, self-induced intoxication is no defence.

The Minister of Justice believes that this legislation will stand up in the courts. Of course, one never knows what the courts will say. However, it is quite clear that something had to be done because the Canadian public does not accept that somebody can be absolved of culpability simply because he was drunk.

I commend this bill to honourable senators. It will be a good amendment to the Criminal Code. It will protect women and children, especially against the violence that is associated with alcohol.

In committee, you will likely hear experts who will show that even excessive amounts of alcohol do not render a person unconscious of their actions.

[*Translation*]

**Hon. Gérald-A. Beaudoin:** Honourable senators, I would like to say a few words on Bill C-72, an Act to amend the Criminal Code (self-induced intoxication).

The recent Supreme Court decision in the *Daviault* case generated quite a bit of interest in Canada. The decision deals with a criminal law issue of particular importance. Our colleague Senator Gigantès already brought the issue before the Senate Committee on Legal and Constitutional Affairs through a bill.

That is to say that we have already looked at the criminal law issue or issues involved. If this bill is referred to the Legal and Constitutional Affairs Committee, our review will obviously be conducted much more quickly.

As chairman of the Standing Senate Committee on Legal and Constitutional Affairs, it would not, of course, be appropriate for me to deal with the substance of the bill today.

Since the sponsor of that bill expressed the wish that it be referred to the committee at the appropriate time, which is — unless I am mistaken — tomorrow afternoon, I will simply say that this referral to a committee seems to me to be perfectly logical. The committee will be able to look at the substance, the content and the wording of the bill, if this is the wish of the Senate.

I am pleased to inform you that the Minister of Justice, the Honourable Allan Rock, will appear before our committee tomorrow regarding three bills: C-72, C-104 and C-68.

Motion agreed to and bill read a second time.

[*English*]

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## CANADIAN WHEAT BOARD ACT

BILL TO AMEND—SECOND READING

**Hon. Dan Hays** moved second reading of Bill C-92, to amend the Canadian Wheat Board Act.

He said: Honourable senators, I rise to sponsor Bill C-92, to amend the Canadian Wheat Board Act. This bill has been the subject of much debate and discussion throughout Western Canada. This piece of legislation will address an issue of considerable urgency in Canada's grain industry: that is, changing the way in which freight costs are calculated and allocated on wheat and barley sold through the Canadian Wheat Board.

[*Translation*]

Honourable senators, for several months now, farm leaders, grain producers, the industry and the three provincial governments in the Prairies have been asking for this change. The outcome would be a better and fairer cost effectiveness ratio for the transport system, which would take into consideration the geographical realities of the movement of western grain towards the points of export.

[*English*]

The bill amends the Canadian Wheat Board Act to change the so-called pooling points. The eastern and western destinations would serve as the basis for setting the cost of shipping wheat and barley through the Canadian Wheat Board, or CWB.

As the current system stands, shipping charges for wheat and barley are determined by the distance to one of two pooling or collection points: either Thunder Bay or Vancouver. The cost of moving grain from Thunder Bay through the St. Lawrence Seaway is shared among all prairie producers.

Why does the pooling point need to be moved from Thunder Bay to other seaway ports? Over the past few decades, ocean shipping has changed dramatically from smaller carriers, which travel the length of the Great Lakes to Thunder Bay to pick up grain, to larger bulk carriers. The seaway cannot readily accommodate these large, ocean-going vessels and, as a result, less than 5 per cent of grain exports are shipped directly from Thunder Bay.

This means that western prairie producers are subsidizing the freight transportation charges of all grain producers who live in the eastern parts of the Prairies, and whose grain moves down the seaway. Changes contained in Bill C-92 will shift the eastern pooling point from Thunder Bay to the lower St. Lawrence, so that farmers whose grain is shipped through the seaway will pay the full cost associated with that movement, without being cross-subsidized through the various wheat pools.

For many years, grain farmers have complained about the inequity involved in maintaining Thunder Bay as the eastern pooling point. The situation is unrealistic, and it allocates costs unfairly within the prairies. Producers in the eastern prairies acknowledged that this was a problem but, at the same time, expressed serious concern about their ability to handle the higher freight costs that would be allocated to them with changes in pooling points.

• (2300)

The problem of how to fix this inequitable system has been the subject of debate throughout this country's grain sector for many years. After much discussion and consultation by Minister Goodale with grain producers, industry producer groups, co-ops and prairie governments, an important understanding has been reached. The elements of this agreement include changing the pooling system as of August 1, 1995, phasing in the changes over three years, and assisting the producers in the eastern prairies as they make the transition to the new regime.

In order to assist those producers who were concerned about the financial impact of the change, the federal government has announced a transitional assistance program to help these farmers adapt to new marketing realities. For the 1995-96 crop year, federal assistance will offset a significant portion of the increased domestic freight costs for farmers in the eastern prairies. In the following years, assistance will be more flexible, focusing on adaptation in the eastern parts of the Prairies and not just dealing with freight compensation.

The government is ready to allocate in the order of $100 million over three years to provide assistance to farmers who are most significantly affected by the pooling change. These funds will be available from the adjustment fund announced in the February budget as part of the transportation reform package. As everyone is aware, the February budget also announced an end to the Western Grain Transportation Act and the $560 million annual payout to the railways which that entailed.

While the elimination of the Crow Rate and the change in pooling points are not directly related, prairie farmers and industry leaders ask that the government also deal with the pooling issue now so that they can make the changes necessary to compete in the new market environment which will exist as of August 1.

The sector is making itself ready to accept the challenge. It is ready to explore the opportunities in greater diversification, value-added economic growth and new jobs. They are no longer content to ship bulk grain to other countries and then buy it back as value-added, finished goods. Producers know that the future lies with value-added and diversification, and that is the target upon which they have set their sights.

[*Translation*]

Therefore, what role must the government play in the next few months? It must continue, just like all the other stakeholders in the sector, to actively help producers and processors to adjust to this new reality and to take advantage of the new possibilities. Government assistance to this sector must promote investment in our growth and contribute to a decrease in short-term instability.

Honourable senators, most Western farm leaders have explicitly requested that the changes to the pooling system be implemented at the beginning of the next crop year, August 1, 1995. We cannot and must not disappoint them. We must provide our farmers with the tools and the programs they need to prosper and to create jobs.

[*English*]

**Hon. Leonard J. Gustafson:** Honourable senators, while the hour is late, there are some very important points which must be made on this bill. This is a major bill, honourable senators. There is no doubt that it will change the entire direction of agriculture, grains and oilseeds in Western Canada.

The summary of the bill states:

> (*a*) to change the pooling points, on which initial payments are based, from Thunder Bay and Vancouver to points in Canada designated by regulation of the Governor in Council; and
>
> (*b*) to establish a deduction from the initial payment that reflects the relative transportation cost advantage for each producer.

In other words, the cost of the freight will be deducted from the payment for the grain delivered to the elevator.

The Wheat Board has announced that Estevan, which is 20 miles from where I live in the eastern part of Saskatchewan, will have the highest freight rates in Western Canada. Manitoba will also have higher freight rates. I believe that this will result in considerably less grain going through the St. Lawrence Seaway. More grain will go to Vancouver, but in time, much grain will go south through the Mississippi. There is no question about that.

These changes will mean that our governments will need to negotiate with the Americans on free trade and trade agreements. They will have to become better negotiators, because that grain will go south. Sixty per cent of all the grain grown in Canada is grown within 100 miles of the U.S. border. There are many unanswered questions: Are we tilting our hand to the Americans? Will they have more control over our destiny in terms of handling our grain? These are questions to which we do not know the answers.

Frankly, I am surprised that the prairie farmers are not more vocal on this subject. As Senator Hays said, this subject has been debated for 20 years. On Saturday, I spoke to someone who had been on the advisory board to the Wheat Board. He said that farmers have lost their punch on this issue.

I make these comments because I think senators should be aware that some major changes will result from this legislation. There may be more added value. No doubt more processing will take place at the local level I hope there will be much more diversification, and we are seeing some of that now. I am amazed at the positive attitude of farmers on this subject. We must move forward on it, but there will be some winners and there will be some losers. I just hope that there will be more winners than losers.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Hays, bill referred to the Standing Senate Committee on Agriculture and Forestry.

## GOVERNMENT ORGANIZATION BILL (FEDERAL AGENCIES)

SECOND READING

**Hon. Dan Hays** moved the second reading of Bill C-65, to reorganize and dissolve certain federal agencies.

He said: Honourable senators, Bill C-65 represents an important first step in the delivery of the Liberal government's commitment to provide good government to Canadians.

In the normal course, this bill would have been spoken to first by Senator Olson, and second by Senator Riel. I am pleased to stand in for both of them, knowing that they would both have been in a better position to deal with any questions on the subject than I am. However, I will do my best.

As you know, the purpose of Bill C-65 is to implement the results of the agency review. The objective of the review of federal agencies, boards and commissions was to simplify government by eliminating unnecessary or inactive organizations and streamlining others.

• (2310)

When all decisions resulting from the review are implemented, 30 per cent of the organizations reviewed will either be eliminated or significantly modified, saving taxpayers about $10 million in one time annual costs. As well, 21 per cent of the approximately 3000 Governor–in–Council appointments will be eliminated.

The savings and streamlining are substantial; however, there is much more to this exercise than simply saving taxpayers' money. More significantly, it is one important component of this government's activity to restore Canadians' trust and confidence in government.

[*Translation*]

In my opinion, Bill C-65 comes in response to the fact that Canadians want a government that intervenes less, a government that is smaller, less costly and more efficient. There will be fewer agencies, boards, commissions and advisory councils, which means less government intervention. Most organizations that will continue to exist will have fewer members, which will reduce the size of government.

As I said before, the savings will be substantial.

Finally, with fewer agencies, fewer appointments — and those based on merit — the government will be more efficient.

The public service and other public institutions are crucial to the way our society functions. However, you will agree that as in any human enterprise, the public service must adjust and evolve to meet new needs. We must ensure that public institutions continue to contribute to our individual and public well-being.

[*English*]

The changes proposed in Bill C-65 vary by agency. Some are being wound up, others made smaller, and others still are having their responsibilities merged with an existing organization.

It is logical and indeed necessary to ask periodically if programs that were put in place many years ago are still relevant today or whether they have outlived their usefulness. It is imperative to ask whether the needs that were once identified are still there or whether different and higher priority needs have emerged since then. The government has the political will and responsibility to ensure that federal institutions continue to be relevant.

[*Translation*]

We are taking concrete measures, such as Bill C-65 as well as the budget and the program review, in order to revamp and renew our public service by giving it an irreversible new orientation. Of course, such complex institutions and organizations as those that make up the government cannot be changed overnight. It will take several years. During the current parliamentary session, the government will introduce other bills to streamline, modernize and improve government operations.

I urge all senators to support this bill and all the other bills introduced in the future to control spending and to increase the efficiency of government programs and activities.

[*English*]

**Hon. David Tkachuk:** Honourable senators, although I am known to use overstatement and hyperbole to make my point on occasion, Bill C-65 is a symbol of the Liberal government's actions over the last year and a half. It does not measure up to what they say, and it certainly does not measure up to what they should do.

When I was asked to speak on this bill, I thought I must have done something wrong because when I looked at it, it really did not have much to say. I think most of these agencies, the Atlantic Canada Opportunities Agency, the Canadian Broadcasting Corporation, Canada Council and most of the rest of them should have been and should be repealed or eradicated or disembowelled, legislated out of existence, sold or privatized, or commercialized, as the Liberals would like to say. Instead, they are spending the taxpayers' money talking about something that was promised in the review of the budget of 1994.

They proceed in this bill to abolish the Procurement Review Board, which was announced by the previous Conservative government, and Emergency Preparedness Canada, also announced by the Conservatives. Almost all of the agencies they are getting rid of were already eliminated, so I am sure that the Department of Finance officials must have had a great time over the last year and a half debating whether they should have seven board members or eight board members or nine board members rather than fifteen. In reality, that is all this bill does.

I do not know what we will do with this bill in committee. We should be debating why all these organizations exist in the first place rather than debating whether they should have 15 board members or nine.

I notice that Minister Dingwall kept most of his appointments. I notice the Cape Breton Enterprise Corporation, that never-ending funding arm for Nova Scotia, did not get any of its board members reduced, so Liberals can continue to sit on that board.

It will also have the effect of removing any leftover Tories that are still hanging onto their board appointments. The effect of this bill will be that the Liberals will be appointing new Liberal members and citizens from all across Canada. I am sure that they will all be qualified, unlike the Tory ones.

In conclusion, honourable senators, I should like to see this bill referred to committee, although I am not sure what we will do with it there.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** When shall this bill be read the third time, honourable senators?

On motion of Senator Graham, bill referred to the Standing Senate Committee on National Finance.

[*Translation*]

## THE CRIMINAL CODE
## THE YOUNG OFFENDERS ACT

BILL TO AMEND—SECOND READING

**Hon. Rose-Marie Losier-Cool** moved the second reading of Bill C-104, to amend the Criminal Code and the Young Offenders Act (forensic DNA analysis).

She said: Honourable senators, I am pleased to introduce, at second reading, Bill C-104, to amend the Criminal Code and the Young Offenders Act (forensic DNA analysis).

[*English*]

This bill was passed by the House of Commons on June 22 and is submitted to this chamber now for its consideration. It is an important piece of legislation. It permits judges to authorize Canadian peace officers to collect bodily substances from persons the police reasonably believe have committed serious crimes for the purpose of confirming whether the person was a party to the offence or should be excluded as a suspect.

• (2320)

The warrant would be available for the investigation of "designated offences". The offences are all serious and include sexual offences, crimes of violence, and offences where it is possible that a bodily substance from the body of the person who committed the offence could be left at the scene of the crime.

Since 1988, forensic DNA analysis has been successfully introduced in more than 100 court proceedings. In a significant number of other cases, it has been instrumental in obtaining guilty pleas resulting in reduced court costs. As well, in many cases, forensic DNA analysis has exonerated innocent people. In total, it has been used in more than 1,000 cases in this country alone.

[*Translation*]

The Criminal Code does not specifically authorize the collection of bodily substances for forensic DNA analysis. Several courts, including the Supreme Court of Canada in the recent *Borden* decision, pointed out the fact that there is currently no Canadian law expressly authorizing the taking of blood samples for forensic DNA analysis.

The use of gene prints could help better protect the public by helping the police to identify and arrest more quickly those who commit criminal acts, while also making it easier to sue these offenders. This technique can also be used to determine whether a series of criminal acts were committed by the same person or by several people. Forensic DNA analysis can be used to establish a connection between evidence in the possession of an accused and the commission of a crime, and also help identify the victims of violent crimes. It is important to note that it can also be used to exonerate innocent people.

[*English*]

The Solicitor General and the Minister of Justice have worked together to develop legislation to govern the collection and use of DNA evidence in Canada's criminal justice system. Bill C-104 represents the first of their legislation in this area — a DNA warrant scheme for use in criminal investigations. Work is continuing on the related issue of the DNA databank, which would complement the warrant scheme and the creation of a process for the approval of DNA laboratories.

[*Translation*]

Honourable senators, the bill provides that three procedures are allowed to collect bodily substances: the plucking of hair, the taking of buccal swabs to collect cells inside the mouth, and the taking of a small amount of blood with a needle.

[*English*]

In all cases, the judge, in considering whether to issue a warrant, must be satisfied or convinced that a "scheduled offence" has been committed and that a bodily substance, reasonably believed to be from the body of the person who committed the offence, has been found; there are reasonable grounds to believe the person to be tested was a party to the designated offence; there are reasonable grounds to believe that analysis of bodily substances will provide probative evidence confirming or disproving the person's involvement in the commission of the offence; and, it is in the best interests of the administration of justice to issue the warrant.

On designated offences —

[*Translation*]

— the warrant issued can only apply to the investigation of offences defined as designated offences for the purpose of the act. These are all serious offences and include sexual offences and crimes of violence. Also, these offences have been chosen because bodily substances from the perpetrator can be left at the scene of the crime.

[*English*]

You will also have noted that young offenders are to be treated, for the most part, as adults. The police will have access to warrants with respect to the same types of offences. There would, nevertheless, be some special protection. For example, young persons would have the right to have the samples taken in the presence of counsel or other appropriate adults.

With respect to limitation on the use and destruction of bodily substances, great efforts were made to ensure that the provisions contained in this legislation accord with the Canadian Charter of Rights and Freedoms and to ensure that peace officers executing the warrant respect the privacy interests of those persons who will be the subject of the warrant.

Honourable senators, the bill provides specifically that the warrant must be executed in a way that is reasonable in the circumstances to ensure that the privacy of the person is respected. Nevertheless, the person cannot be detained for a period longer than what is reasonable to obtain the bodily substance, and the bill says so.

[*Translation*]

Honourable senators, this bill contains provisions regulating the use that can be made of the bodily substances and the results of the DNA analysis. The DNA analysis can only be used in the investigation of designated offences.

The bill also provides for the disposal of both the bodily substances taken under warrant and of the genetic testing results in cases where, for example, the results show that the person in question did not leave any substances at the scene of the crime or in cases where the person is acquitted.

[*English*]

Honourable senators, this bill will bring Canada in line with many other nations. Forensic DNA typing is conducted in many countries throughout the world, including the United States, Great Britain, France, Germany, Australia, New Zealand and Sweden.

This is a bill that will clearly outline how bodily substances can be obtained and used in criminal cases. As such, this bill strengthens the law without jeopardizing the Charter or other privacy interests. It is a finely tailored measure that I hope members of this house will endorse with enthusiasm.

Honourable senators, I have reviewed the bill, and I am satisfied that the rights of the individual privacy of the person and of security from unreasonable searches and seizures have been carefully balanced against the public interest in the resolution of serious crimes and the apprehension and punishment of these who commit them.

I urge all honourable senators to support the passage of Bill C-104.

[*Translation*]

**Hon. Noël A. Kinsella:** Honourable senators, I fully agree with Senator Losier-Cool when she says that this bill deals with a very important issue. Indeed, it is a very important measure and, for that reason, we have a duty to take an in-depth look at it. You may ask why.

Senator Losier-Cool pointed out the fact that, last Thursday, the other place looked at this most important legislation, which introduces the use of new, modern technology. What did the members of the other place do? They went through first, second and third reading in the same afternoon.

Under the circumstances, what is our responsibility as senators? I believe it is very important that we review this bill and identify its principles. At this stage, we must look at the principles underlying this legislation.

[*English*]

When I received my copy of the bill this evening, honourable senators, I began to read it in order to ascertain the principles upon which I could agree, in this expedited process, to send the bill off to the appropriate committee this evening. Frankly, honourable senators, is this any way to run a business?

**Senator Oliver:** No!

**Senator Kinsella:** What kind of management process or management model is being used by the government whereby important pieces of legislation such as this — and I agree with my colleague Senator Losier-Cool that this is an important piece of legislation — are to be reviewed by us, when the other place has only looked at it for one day in all three stages? Surely the Senate of Canada would not be so remiss in its duty as to give an important piece of legislation such as this a scant review.

For example, honourable senators, notwithstanding this exercise in poor management of the legislative process, there are many inscriptions one can find in Rome. One of the inscriptions I would bring to the attention of our friends opposite is to be found at the bottom of the Via Venatil. It says *tempore, temporae, tempora,* which could be translated from the Latin into English as "Time must be tempered by time;" or "Time your time timely;" or "Manage your affairs of Parliament in a timely manner."

I invite all honourable senators to look at the bill and to ask themselves this question: Is the bill too intrusive, or is the intrusiveness underlying the powers that the peace officers will have, upon receiving the warrant to take bodily substances in order to do the DNA test, sufficient?

As was mentioned by Senator Losier-Cool, as provided in proposed section 487.06, there are three bodily substances that may be seized from a person, upon the issue of a warrant that a peace officer may seize the substances. One is the plucking of individual hairs from the person, including the root sheath; the second is the taking of buccal swabs; and the third is the taking of a blood sample.

Applying the principle of least intrusiveness, we might ask why would anyone need to take all three? Why not just take one? Why not just take the hair? Why be so intrusive as to take blood or other body fluids?

With the typical collaboration, as some would say, of the polarized opposition in the other place, the Minister of Justice has put before us rather quickly a bill that might not be terribly important in terms of clarifying the procedures which law enforcement officials can follow in obtaining a warrant to secure bodily samples from some criminal suspects.

One of the problems raised by a *Globe and Mail* editorial on June 22 was that the bill was adopted without hearings or any extended debate. In fact, the debate was limited. I looked at the debates from the other place this afternoon. I think only three or four members of that place spoke to this bill.

Without making a judgment as to the thoughtfulness of those interventions, the number of intervenors was limited. Because of that, all the more reason for the bill to be given particularly thorough and judicious analysis by this chamber. Indeed, yesterday's *Toronto Star* observed that it is now up to the Senate, as the chamber of sober second thought, to give the issue a thorough airing.

I invite all honourable senators to do simply that, namely, to give this bill expeditious but careful analysis. This is a new area of science that is being applied to law, and I think there are some serious questions that need to be canvassed with respect to it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## BUSINESS OF THE SENATE

**Hon. John Lynch-Staunton (Leader of the Opposition):** Your Honour, before we move away from government business, Bill C-69 has not been called. Did I miss something? There has been so much legislation going through that I apologize if I missed the government's intentions with respect to this bill. For my sake, and certainly for the sake of some of my colleagues, why is the government not calling that bill?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, that is a fair question. By the honourable senator's very question, the Leader of the Opposition has indicated the main reason why Bill C-69 was not called tonight, namely the volume of legislation that we have before us.

Bill C-69 was debated last Wednesday and Thursday. It is rather a contentious bill. There is a difference of opinion on one side of the chamber as to whether or not the bill lives; there is an opinion on the other side of the chamber, as has been suggested by members opposite, that the bill is dead.

We have contended on this side that the bill is very much alive. Indeed, it is still on the Order Paper, but because of the volume of legislation that we had this evening as indicated by the clock — it is now 11:40 p.m — we thought it would be more appropriate to deal with bills that have not yet had an airing, or that have not yet been in committee. Bill C-69, and Bill C-18 before it, had much discussion both here and in the other place, and in committees in both places.

Rules were adopted, proposed and initiated by the members opposite when they were in government — and I will review for a moment to clarify the situation on that particular point. In reviewing order number one, which resumed the debate on my motion respecting the Senate amendments to Bill C-69, that order was debated last Wednesday by several honourable senators. Senator Murray adjourned the debate. A vote on his motion was then deferred to last Thursday, when a majority of senators voted in favour of the motion.

Rule 49(2) states that when debate on any item of government business is adjourned, "the item shall not stand on the Orders of the Day or the Order Paper in any Senator's name and may be called pursuant to rule 27(1), which states:

> Except as otherwise ordered by the Senate or as provided elsewhere in these rules, government business shall have priority over all other business before the Senate. Government business shall be called and considered in such sequence as the Leader of the Government in the Senate or the Deputy Leader of the Government in the Senate shall determine.

• (2340)

I am most grateful for the cooperation we have received on all sides of the house, from all honourable senators, in dealing expeditiously with the legislation before us. We dealt with eight bills this evening which are being referred to their respective and appropriate committees.

I think we have made excellent progress. There have been discussions between both sides of the house with respect to our deliberations tomorrow. It was suggested that, because of the amount of legislation before committees and the number of committees which must meet, perhaps we should make the whole of the day available for committees, save for the time that is normally allocated on a Wednesday morning for caucuses. In this particular case, it is for the Conservative caucus.

Accordingly, we made that decision. If that is the case, and if I move the adjournment, the motion would be for adjournment until Thursday at 2:00 p.m., with an undertaking that we will take into consideration Bill C-69 in the normal sequence of events on the Order Paper on that particular day.

**Senator Lynch-Staunton:** Honourable senators, I find this a rather extraordinary way of proceeding. The Deputy Leader of the Government has said that he wanted to dispose of the bills which were not too controversial. We have done so. Here we are. Why can we not attack Bill C-69 now? What is the reason for hesitating? We could take tomorrow off and come back on Thursday. What is the strategy here? What are we not being told?

**Senator Graham:** Honourable senators, these are rules which we are following which were initiated by members opposite.

**Senator Lynch-Staunton:** I am glad that the rules that we initiated, which were condemned by the other side for so long, are proving useful and that their worth has been proven.

The point is that we have one item left, Bill C-69. Last week, the government was very annoyed at us for moving the adjournment of the debate. We had a vote on it and the adjournment was sustained.

Here we are, four or five days later, ready to debate, and the government, in effect, has adjourned the debate for two days.

Certainly, the government can explain its intentions on Bill C-69. Is it to keep us here next week, to wear us down? Why can we not get onto it now? We would be willing to move on it now. Senator Murray is not here, but I can pick up the debate in his name and we can carry on and keep it going.

**Senator Graham:** Honourable senators, there is no intention on this side to delay debate on Bill C-69 unnecessarily. There was an understanding between both sides, as I took it, that tomorrow would be a committee day and that we would proceed on Thursday with a debate on Bill C-69. It is the government's prerogative to call the Orders of the Day as it sees fit.

**Senator Lynch-Staunton:** Unless my associate says something to the contrary, I am not aware of any agreement that we would not sit tomorrow.

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I agree with everybody. In fact, it was my suggestion that we pursue the possibility of dealing with legislation tonight and setting tomorrow aside as a committee day. I did suggest that. I do not think we went so far as to say that it was a commitment, but that it should be explored. The objective was always accommodation in order to complete all the work of the Senate by the weekend, if possible. It would be a reasonable goal to complete any necessary business so as not to require returning here after the long weekend. That is not to suggest that we would not be quite prepared to come back after the long weekend if there were work to be done.

I apologize to anyone who may have taken my suggestion as a commitment. I still think it is worthy of exploration.

**Hon. Noël A. Kinsella:** Honourable senators, on a matter somewhat adjacent to this, I wonder if we could ask a question of the Deputy Leader of the Government, given the fact that we have the Canada Day weekend coming which is a very heavy time in terms of airplane reservations. Honourable senators who need to use the airlines to return to their provinces need to know if we are sitting Friday in order to make reservations.

This is important for all senators, particularly for the two whips. Those airline reservations will be hard to come by on Friday. Can we have an indication on whether we will sit on Friday morning?

**Senator Graham:** I dearly wish that I could look into a crystal ball and tell honourable senators with clarity what might happen on Thursday or, indeed, on Friday. I am just as anxious as any honourable senator to enjoy my family. Indeed, I did not intend to say this, but I have a very special day on the weekend because my youngest daughter is being married. There are the usual rehearsals and all the other things which surround such a wonderful event. I am as anxious as anyone to get home.

Having said that, our responsibility is here and we must deal carefully and thoroughly with all of the legislation before us.

Again, I am most grateful for the cooperation given by all honourable senators. If I move the adjournment, and if we agree, it would be until Thursday at 2:00 o'clock to enable the committees to deal with the legislation, but also with the undertaking that we would deal with Bill C-69 on Thursday.

At this particular hour, with such an important piece of legislation, it would be unfair to all honourable senators to begin that particular debate. We still have some ways to go on the Order Paper.

We should continue with the Order Paper and, if it is agreed, I would move the adjournment for Thursday at 2:00 p.m.

**Senator Lynch-Staunton:** I have raised a question here and it is out of order to raise a motion when I have asked a question.

**Senator Graham:** I have not put the motion.

**Senator Lynch-Staunton:** Can the deputy leader explain why we cannot debate Bill C-69 tomorrow? I have heard his answer. It is because there are committees that are set to sit.

What additional committees, which are not already scheduled to sit tomorrow, will sit knowing that the Senate is not sitting? All committees scheduled to sit tomorrow know their work. They know which bills are coming to them. There is not one more committee which will sit tomorrow as a result of the chamber not sitting. What purpose is being served?

**Senator Graham:** I would hope, honourable senators, that committee chairs, deputy chairs and all honourable senators who have to deal with the legislation which has been referred to those particular committees this evening, will undertake immediately to have those committees sit as early as possible, bearing in mind that the members opposite have their caucus in the morning.

I would hope that those committees could make arrangements as quickly as possible to begin sitting at 1:30 tomorrow afternoon, or even at one o'clock.

• (2350)

**Senator Lynch-Staunton:** This is becoming Kafkaesque: The honourable senator is expecting that at midnight clerks of committees should call in senators and witnesses. Let us be a little more serious than that.

**Senator Graham:** The clerks of committees and other staff are quite aware of what has been going on this evening. I am sure that, as conscientious members of our staff, they have been following the proceedings and taking whatever steps possible to arrange for committee meetings.

**Senator Lynch-Staunton:** It is interesting that they were alerted to the fact that we would not sit tomorrow before we were. That is another indication of how bizarre the management of government legislation is becoming.

It might be preferable that we do sit tomorrow and attack Bill C-69.

**Senator Graham:** That is not a fair comment from an honourable senator who, when he was in this position, treated this as a game of chess or checkers. Since you changed the *Rules of the Senate*, at least since the present government has been in office, we have been following a logical sequence in the Order Paper. When Senator Lynch-Staunton was in this position, we used to jump all over the Order Paper and there was not a single honourable senator in the chamber who knew which piece of legislation we would deal with next.

**Senator Lynch-Staunton:** That was because we were the victims of deliberate obstruction on every bill brought before us. I was never able to thank the opposite side for the absolute cooperation for which Senator Graham has been able to thank us.

We on this side have been cooperating. We want to accelerate government legislation. We are coming to the end of the summer session. Friday is approaching. Senator Kinsella has pointed out logistical problems. We would like to know when we can commit ourselves to be elsewhere. That is why we would like to deal with the last piece of legislation before us as soon as possible. We could have spent the last 20 minutes dealing with government legislation rather than bickering as we have been.

You are telling both sides that we have no idea where we are going, how long we will be here or what we will attack when. We never did that when we were in government.

**Senator Graham:** There are still items on the Order Paper with which we have to deal.

**Senator Lynch-Staunton:** I am talking about government business.

## CODE OF CONDUCT

MOTION TO APPOINT SPECIAL JOINT COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Stanbury, seconded by the Honourable Senator Rizzuto:

That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of the Senate and the House of Commons to develop a Code of Conduct to guide Senators and Members of the House of Commons in reconciling their official responsibilities with their personal interests, including their dealings with lobbyists;

That seven Members of the Senate and fourteen Members of the House of Commons be Members of the Committee;

That the Committee be directed to consult broadly and review the approaches taken with respect to these issues in Canada and in other jurisdictions with comparable systems of government;

That the Committee have the power to sit during sittings and adjournments of the Senate;

That the Committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff;

That the quorum of the Committee be eleven Members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented, and that the Joint Chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six Members are present, so long as both Houses are represented;

That the Committee be empowered to appoint, from among its Members, such sub committees as may be deemed advisable, and to delegate to such sub committees all or any of its power, except the power to report to the Senate and House of Commons;

That the Committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That the Committee present its final report no later than October 31, 1995;

That, notwithstanding usual practices of this House, if the Senate is not sitting when the final report of the Committee is completed, the report may be deposited with the Clerk of the Senate and it shall thereupon be deemed to have been presented to the Senate; and

That a Message be sent to the House of Commons to acquaint that House accordingly.

**Hon. Donald H. Oliver:** Honourable senators, it gives me great pleasure tonight to rise to support the motion introduced by the Leader of the Government in the Senate, a motion to establish a Special Joint Committee to develop a code of conduct to guide senators and Members of the House of Commons in reconciling their official responsibilities with their personal interests, including their dealings with lobbyists.

I want to begin by congratulating Senator Stanbury for his speech on this subject which he gave in this place on June 21. I wish to associate myself with his remarks. I would be remiss if I did not state that I had the honour of serving on the Special Joint Committee on Conflict of Interest in Parliament, a committee of which Senator Stanbury was the co-chair.

That committee, as Senator Stanbury rightly pointed out, presented the government with a unanimous report which contained a model bill on this subject of conflict of interest. Unfortunately, our efforts in this regard were to no avail as the legislative effort on conflict of interest died on the Order Paper with the dissolution of Parliament.

We are here now in Parliament with a House of Commons much differently constituted than the previous one. In fact, one of the parties, the Reform Party, claims to have developed its own code of conduct for members, enforced by members. We look forward to seeing and hope they will share with us, not only the content of their code but the experiences that they have had in attempts to enforce it.

As Senator Stanbury stated, the members of the joint committee will be asked to develop a code to suggest a mechanism and, perhaps, an office responsible for its administration to develop sanctions for breach of the rules of this code and to suggest how such sanctions should be enforced. These are the nuts and bolts of conflict of interest or code of conduct and, of course, they are vitally necessary.

I suggest, however, that to be successful this committee must deal with the topic on two levels. One is the level suggested by Senator Stanbury — what I term the mechanisms of conflict of interest. However, this committee must also take the time to reflect on this issue in a thoughtful and meaningful way. Members must ask themselves and attempt to answer some of the very difficult and troubling questions.

In the short time I wish to speak on this matter, I will only raise some of these more philosophical or fundamental issues. It will be up to the committee members to address them in their deliberations and to attempt to find solutions which can be set forth in the committee's report.

First and foremost, we, as public officeholders, both as elected and appointed representatives of the people, must ask ourselves why conflict of interest is such an important issue today. Indeed, it has been an important issue for at least the last 15 years. For it was in May of 1984 that the Starr-Sharp Task Force on Conflict of Interest appointed by then Prime Minister Trudeau reported its findings.

In having to address this subject we are not alone. The Clerk of the Senate has informed me that early in July, representatives of the newly established New South Wales Parliamentary Committee on "Ethical Standards for Members of Parliament" will be visiting Ottawa. They hope to meet with those of us who have an interest in these issues. Not only is this a crucial issue for Canada, but for other jurisdictions as well.

Again I ask: Why? Are today's representatives of the people so inherently corrupt that the only way to deal with the matter is to establish legally enforceable tenets by which all activity, personal and public, can be regulated and judged? I do not believe so. If anything, those in public office today, for the most part, serve at great personal and financial sacrifice. I believe, as was stated in the first paragraph of the Special Joint Committee on Conflict of Interest report, that service to the Canadian public has always been the highest calling of a Canadian citizen. Traditionally, Parliament has attracted dedicated men and women from diverse sectors of Canadian life to serve their country and fellow citizens with integrity and commitment.

In fact, the report goes on to state that in the experience of its members, most parliamentarians want only to do that which is right and proper and in the best interests of their constituents and the Canadian public as a whole.

For those of us in public life, the avoidance of conflict and acting in a reputable manner are daily watchwords, virtually taken for granted. For the public it seems it is an issue which demands immediate attention, attention to the extent that one would believe that all of us who serve the public do so with the sole goal of lining our own pockets. Large groups in the public are naive about public trust and conflict of interest.

One person suggested that a member of Parliament may be in conflict if his or her spouse works or earns an income from a corporation that involves some public policy. What major corporation in Canada does not? This is the type of ignorance that the committee must address.

The committee must come to grips with how these feelings of distrust, ignorance, bigotry and lack of confidence developed in the public and how they can be best addressed. I submit that it will take more than a nicely worded code of conduct enforced by an independent arbitrator to satisfy the public on this matter. What further must be done will be for members of the committee to determine.

A second fundamental issue which this committee must address is how, in this complicated and fast-moving world in which we find ourselves, where everything seems to be interrelated and there are few hard and fast rules, as society evolves at an ever-increasing rate, it is possible to separate or even to distinguish between official responsibilities and personal interests? How can one strictly define official responsibilities? How can one define personal interests, and where does one end and the other begin?

I do not believe that Canadians want people with no previous experience to represent them in public office — the professional politician who has no previous outside experience. Surely, the people want us to bring the sum total of our life experiences to the issues of the day.

**The Hon. the Speaker:** Senator Oliver, I regret to interrupt you, but it is midnight. According to rule 6(1), I must interrupt the proceedings to state that a motion to adjourn the Senate has been deemed to have been moved and adopted, unless of course by agreement I do not see the clock.

Is it agreed, honourable senators, that I do not see the clock?

**Some Hon. Senators:** No.

**The Hon. the Speaker:** Therefore, according to rule 6(1), I must interrupt the proceedings and declare that a motion to adjourn the Senate has been deemed to have been moved and adopted and leave the Chair until the time provided for the next meeting of the Senate.

The Senate adjourned until tomorrow at 2:00 p.m.

# THE SENATE

**Wednesday, June 28, 1995**

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### ONTARIO

#### CONGRATULATIONS TO CONSERVATIVE GOVERNMENT ON TAKING OFFICE

**Hon. Marjory LeBreton:** Honourable senators, on Monday, June 26, the Progressive Conservative government of Mike Harris was sworn in. This date is significant for it was exactly 10 years ago to the day that the government of Ontario was turned over to a two-year Liberal/NDP coalition followed by a three-year Liberal government and then five years of the NDP — the lost decade, as Premier Harris has aptly described it. Perhaps we would be wise to listen to our colleague Senator Prud'homme, who predicted this way back on May 2.

Honourable senators, I have waited until the swearing in to mark the occasion publicly in the Senate. It is interesting to hear and read all the theories. As the late President Kennedy once said, "Victory has a thousand fathers — defeat is an orphan." No truer words were spoken. We have the Reform Party, the model of inconsistency, claiming ownership of a plan and policies developed over five years by Mike Harris and the PC Party of Ontario —several years before the Reform Party was even registering on the political scale.

Honourable senators, the media's interpretation of the Harris-PC victory is as expected and reflects their own biases — so much for objective journalism.

Everyone has a view as to who is responsible for this great win, but — the answer is clear — the credit for the victory belongs to Mike Harris, the Ontario PC Party, his campaign team and their clear, honest and consistent plan for Ontario.

What does this mean for the federal Progressive Conservative Party? First and foremost, it demonstrates the strength and roots of our party; but, more important, it is proof positive that the rebuilding plan we are embarked upon is the correct one. We have completed the first stage of our rebuilding by restructuring our party reorganization. We are now entering the second stage — policy development.

This was the step-by-step process followed by Mike Harris and our Ontario party, and at times the road was long and lonely. The message to my party is crystal clear — follow your plan, stick to your agenda and earn the support of the Canadian public, just as Mike Harris did in Ontario.

Congratulations to the new premier, the new cabinet, and from an Eastern Ontario perspective, to the three cabinet ministers from this region — the Honourable Norman Sterling, who represents the riding I live in, the Honourable Noble Villeneuve and the Honourable Bob Runciman. Eastern Ontario, indeed, has a strong voice in our provincial government. May they govern with the same common sense that was so ably demonstrated over the past five years leading up to their victory.

### UNITED NATIONS

#### FIFTIETH ANNIVERSARY OF FOUNDING

**Hon. Dan Hays:** Honourable senators, I rise today to join with those who spoke yesterday to celebrate the fiftieth anniversary of the United Nations. I waited until today because I wanted to confirm some aspects of my statement. I am particularly pleased to join with those senators to celebrate the United Nations on its fiftieth anniversary because I have had some personal involvement with the organization as a citizen of Canada and a resident of the province of Alberta. Alberta has sent thousands of peacekeepers to the former Yugoslavia and to other theatres. I have come to know some of them in various ways. I am enormously proud of them and the contribution that they make.

The National Film Board has produced two one-hour video productions. The first is a production called *Caught in the Crossfire*. It is a remarkable piece of work that illustrates how difficult it is for Canadians to be in a peacekeeping environment. I commend it to you.

• (1410)

The second film, *The Price of Peace*, is a tribute to Corporal Mark Isfeld, "Izzy," as he was known to his friends. An engineer in the Princess Patricia's Canadian Light Infantry, and involved in the clearing of mines, he was killed during the course of one of his tours of duty in the former Yugoslavia.

One does not give one's life but one risks one's life, and many Canadians are doing that on a daily basis. In this case, Izzy lost his life. That loss brought home to me the significance of our contribution and the significance of those who actually do the peacekeeping for all of us.

We have lost 10 peacekeepers in the former Yugoslavia and many others have received injuries, so why do Canadians answer the call to the United Nations time and again? Is the risk worth it?

We do it because we know that Canadians are making a difference. We know that the alternative to United Nations involvement is chaos and tragedy for many people. Because of the contribution of countries such as Canada, people around the world can at least hope for a better tomorrow.

To quote Warrant Officer Daniel Hartford five minutes after the burial of one of his men:

> By lifting these mines we leave the children of this unfortunate country with legs, arms and faces... And yes, it's worth it.

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# ROUTINE PROCEEDINGS

## PRIVILEGES, STANDINGS RULES AND ORDERS

FOURTH REPORT OF COMMITTEE PRESENTED

**Hon. Brenda M. Robertson,** Chairman of the Standing Committee on Privileges, Standing Rules and Orders, presented the following report:

Wednesday, June 28, 1995

The Standing Committee on Privileges, Standing Rules and Orders has the honour to present its

FOURTH REPORT

Your Committee notes that the *Minutes of Proceedings of the Senate* also contain the *Order Paper*. The *Order Paper* is of little interest beyond the parliamentary precincts, as it is out of date before most subscribers receive it.

At the end of each session the *Minutes of Proceedings of the Senate* are revised and reprinted as the *Journals of the Senate*. Some subscribers do not purchase the bound *Journals*: instead, they bind the daily copies of the *Minutes*. Consequently, it is suggested that the title of the *Minutes of the Proceedings of the Senate* be changed to the *Journals of the Senate*. This would eliminate the necessity of changing the titles on each page of the *Minutes* at the end of a session.

Your Committee recommends that:

1. the *Minutes of the Proceedings of the Senate* and the *Order Paper* be printed separately and distribution of the *Order Paper* be restricted to the parliamentary precincts;

2. the title of the *Minutes of the Proceedings of the Senate* be changed to the *Journals of the Senate*; and

3. the *Rules of the Senate* be amended in Rules 29(2), (5), 86(4), 105(5) and 128 by substituting the word "*Journals*" for the words "*Minutes of the Proceedings*."

Your Committee also recommends that these changes take effect in the next session of Parliament.

Your Committee recommends that the *Rules of the Senate* be reprinted for the new session of Parliament. It is proposed that the new Rules adopted by the Senate during the present session be included as well as necessary editorial changes. It is also proposed that the Library of Parliament be requested to prepare a new index to the Rules and that this new index be also included.

Respectfully submitted,

BRENDA M. ROBERTSON,
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Robertson, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

**Hon. M. Lorne Bonnell**, with leave of the Senate and notwithstanding rule 58(1)(*f*), moved:

> That the Standing Senate Committee on Social Affairs, Science and Technology have power to sit at 3:15 p.m. today, Wednesday, June 28, 1995, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

Motion agreed to.

## PEARSON AIRPORT AGREEMENTS

COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF THE SENATE

**Hon. Finlay MacDonald,** with leave of the Senate and notwithstanding rule 58(1)(*f*), moved:

That the Special Senate Committee on the Pearson Airport Agreements have power to sit from Tuesday, July 11 to Thursday, July 13, 1995 inclusive, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

Motion agreed to.

[*Translation*]

## LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Hon. Gérald-A. Beaudoin**, with leave of the Senate and notwithstanding Rule 58(1)(*a*), moved:

That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit at 3:30 p.m. today, June 28, 1995, even though the Senate may then be sitting, and that Rule 95(4) be suspended in relation thereto.

Motion agreed to.

[*English*]

## PRACTICE OF FAMILY LAW IN ONTARIO

NOTICE OF INQUIRY

**Hon. Anne C. Cools:** Honourable senators, pursuant to rules 57(1) and (2), and 58(2), I give notice that I will call the attention of the Senate to the state of the practice of Family Law in Ontario and to a particular incident within a custodial dispute of enormous suffering and anguish to the children involved.

## FIREARMS BILL

PRESENTATION OF PETITION

**Hon. Gerry St. Germain:** Honourable senators, I have a petition relating to Bill C-68 signed by numerous residents of the Province of Ontario. This is an amendment to the Criminal Code concerning the possession and ownership of firearms and other weapons which has been sent to the Senate of Canada for consideration. The petitioners humbly pray and call upon Parliament to amend this bill and delete those sections mandating universal registration of firearms and permitting more police search powers against gun owners.

## CRIMINAL CODE

BILL TO AMEND SENTENCING PROVISIONS— PRESENTATION OF PETITION

**Hon. Gerry St. Germain:** Honourable senators, I also have a petition on Bill C-41, which was before the Senate for consideration and went through this house very quickly yesterday deals with a series of amendments concerning sentencing. The petitioners humbly pray and call upon Parliament to amend this bill and delete section 718.2(*a*)(1).

I too should like to go on record and say that I would have voted against that bill. I will not go into the details as to why; however, Canadian society has suffered a major setback with that piece of legislation.

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# QUESTION PERIOD

## SOLICITOR GENERAL

RCMP MARKETING CONTRACT WITH DISNEY CORPORATION— REQUEST FOR PARTICULARS

**Hon. David Tkachuk:** Honourable senators, I have a question for the Leader of the Government. I understand that the RCMP has signed a contract with Disney Corporation, a little bit of Hollywood, to market their name and likeness to the world. We will have the proud traditions of the RCMP marketed along with Mickey Mouse and Goofy, which I think is hardly appropriate for a government institution and an historical institution so revered in our country.

• (1420)

I want to clarify some of the news reports that the RCMP entered into this contract because they could not find any business or person in Canada capable of doing this work. Is it not strange that a government institution should say that, in the whole country of Canada, they were not able to find any person to market the RCMP?

With respect to this contract, would the government inform Parliament as to the tendering process — for example, the public notice, specifications of the contract, the returns to the RCMP and the returns to the Government of Canada Consolidated Revenue Fund?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will certainly pursue the details relating to my honourable friend's question. I sought a preliminary answer myself this morning and was advised that the mounted police foundation did indeed encourage the submission of licensing proposals from both Canadian and U.S. companies.

Walt Disney Canada, which is a fully incorporated Canadian company, in existence since 1966 and staffed entirely by Canadians, produced a proposal which was selected as being the most comprehensive and the most likely to appropriately portray the RCMP image.

I was also told that Walt Disney Canada will give preference to Canadian manufacturers and suppliers, which may open up world-wide opportunities for Canadians through that network. That was a preliminary response to the question. I will do my best to get the rest of the details for you.

**Senator Tkachuk:** One interesting point that was missed was who are the shareholders of the Disney Corporation in Canada?

Further, can the Leader of the Government in the Senate also inform the Senate whether the management team issuing the contract on behalf of the RCMP — or the Solicitor General; I am not sure how this was done — travelled to Los Angeles or other places outside of Canada to meet with officials from the Disney Corporation? If so, I should like to know who paid for those trips, how many people went, and whether any senior RCMP personnel were promised any inducements for signing the contracts, such as trips to Fantasyland, Disney World, or any other such place.

**Senator Fairbairn:** Honourable senators, I will not touch the last part of Senator Tkachuk's question. However, I will relay his other points to the Solicitor General's office and see what I can find out.

**Hon. Brenda M. Robertson:** Honourable senators, I am advised that Walt Disney Canada Inc. will do only a portion of the work. There are certain aspects of this contract which will be sole-sourced out of Los Angeles. I should like to know from the minister what portion of the work will be done in the United States, and then what portion will be done by the Canadian corporation.

**Senator Fairbairn:** I will add those questions to my request for further information.

[*Translation*]

## COMMUNICATIONS

### GRANTING OF PUBLIC RELATIONS CONTRACT FOR G-7 SUMMIT— REQUEST FOR ESTIMATED FINAL COST—REQUEST FOR ANSWER

**Hon. Jean-Maurice Simard:** Honourable senators, I would like to ask the Leader of the Government in the Senate whether she has the answer to the question I put to her yesterday concerning the amount billed by a Montreal firm — following a patronage operation, which is what it was — when this public relations firm was hired to advise the government on the organization of the G-7 Summit.

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as I understood Senator Simard's question, it was a request for particulars of the amount paid to the firm. I do not have that answer, but I am pursuing it.

[*Translation*]

## NATIONAL FINANCE

### BANK OF CANADA—SALARY INCREASES FOR OFFICIALS— GOVERNMENT POSITION

**Hon. Jean-Maurice Simard:** Honourable senators, a few days ago, Canadians were informed that four senior officials of the Bank of Canada had recently been given pay increases of 10 per cent which, in absolute dollars, works out to an increase of $13,000 each. When Minister Paul Martin was asked about this, after his initial amazement he promised Canadians he would talk to the Governor of the Bank of Canada about this. Does the Leader of the Government know whether Minister Martin did so?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I do not believe that Mr. Martin has had the opportunity since yesterday to have that conversation. He certainly intends to do so, and he made that very clear following the cabinet meeting yesterday.

[*Translation*]

**Senator Simard:** Canadian taxpayers have been asked to make more and bigger sacrifices because the federal government is running a colossal deficit. We also know that tax revenues are no longer coming in at the same rate as in the past. Does Minister Paul Martin realize he will have to stand firm and tell the Governor of the Bank of Canada that this policy of giving 10 per cent pay increases is intolerable? Almost all public servants, senators, MPs and other Canadians have to do without new services and have seen existing services reduced. Does the minister realize that, to Canadians in general, this is a clear case of applying a double standard, one for governors and deputy governors of the Bank of Canada and one for other Canadians, who have to do more with less?

[*English*]

**Senator Fairbairn:** Honourable senators will know that through the last two budgets, the Minister of Finance has indicated his strong commitment to fiscal restraint. He is very aware of the effect that this restraint has had on the rest of the government departments and the people who work there.

He is also very aware that all Canadians have been asked to share in the burden of fiscal restraint. Those thoughts were very much in his mind yesterday when he became aware of the situation with respect to the Bank of Canada. As he said, he will definitely be raising that matter with the governor.

**Hon. Gerry St. Germain:** Honourable senators, my question is to the Leader of the Government in the Senate. In view of the fact that in the near future the government will be compelled to make major adjustments to UI and to transfer payments for health and welfare right across the board, can the minister advise us at this time exactly what her government intends to do about the 10 per cent salary increase taken by the top officials at the Bank of Canada?

**Senator Fairbairn:** Honourable senators, as I indicated to Senator Simard, the Minister of Finance became aware of this yesterday. He indicated immediately that he would be raising the matter directly with the governor of the bank. The minister will do that. I will await further information from the minister, and then communicate it to my honourable colleague.

• (1430)

**Senator St. Germain:** Will the Leader of the Government in the Senate undertake to report back to this place at the next sitting as to what definitive action will be taken in this case?

When we were in government, we experienced similar incidents with respect to CN and the National Gallery in matters which seemed to be at arm's length. However, we are living in rapidly changing times. Drastic cuts are taking place, and I mention in particular those to Unemployment Insurance. Will any action be taken by the government to put some controls on these various agencies? In certain cases, it does not seem as though the government has the ability to restrict these people in their movements.

The Bank of Canada reduced its number of vice–presidents by one, which allowed them to take that 10 per cent increase. Perhaps there was no need for that vice–president in the first place. Perhaps, indeed, they could do with fewer still.

Perhaps I could have some indication from the minister on those points.

**Senator Fairbairn:** Honourable senators, I will definitely send the comments and views of the honourable senator to the Minister of Finance.

With respect to the first part of the honourable senator's question, I will undertake to get the information to him as best I can, once I am in possession of it.

[*Translation*]

## FOREIGN AFFAIRS

### NEGOTIATIONS TOWARDS INCLUSION OF CHILE IN NAFTA— REQUEST FOR PROGRESS REPORT

**Hon. Pierre Claude Nolin:** Madam Minister, it has now been about two weeks since Canadian international trade representatives started talks on the inclusion of Chile as an economic partner in the North American Free Trade Agreement. Since these preliminary talks began more than two weeks ago, could the minister give us a progress report on these negotiations, especially since Canadians have major investments in Chile?

[*English*]

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, Senator Nolin is quite right. We discussed this matter around the time that the meetings were taking place in Toronto. I cannot give him a progress report today. However, I will be glad to get one for him.

## CANADA COUNCIL

### CLOSURE OF ART BANK— PRIOR CONSULTATIONS WITH MINISTER—GOVERNMENT POSITION

**Hon. Eymard G. Corbin:** Honourable senators, I would ask the Leader of the Government in the Senate to convey my thanks and gratitude to the Minister of Canadian Heritage for answering my letter of April 4 on June 27 — which reply I just received today — regarding the closing of the Art Bank of the Canada Council.

Today, I should like to reiterate a question I put to the government leader a few weeks ago regarding the closing of the Art Bank. To date, I have not had an answer to my question which, simply put, is the following: Was the minister consulted, approached or informed before the Canada Council announced the winding up of the Art Bank?

The information that the minister has given in the House of Commons and in his response to my letter of April 4 seems to suggest that he does not have the legislative power to interfere with the "strategic decisions" of the Canada Council.

Yet we know, as does the government leader, that the Art Bank was instituted and funded initially by the government at the request of the Canada Council, and officially announced by the Secretary of State. Indeed, the former government reiterated a few years ago a policy to have all government departments borrow art for decorative purposes in government buildings from the Art Bank. I find it passing strange that if government approval was required for the establishment of the Art Bank, the Canada Council could decide on its own to abolish it. It was an unfortunate decision, one which is highly disapproved of by the cultural and arts community in Canada.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend has been patiently awaiting further information on his request. I myself am also in the process of doing the same, and I will share that information with him as soon as I receive it.

## TRANSPORT

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—RESTORATION OF FUNDING TO DESIGNATED PROJECT—REQUEST FOR ANSWER

**Hon. J. Michael Forrestall:** Honourable senators, was the Leader of the Government able to secure an answer to the question I raised yesterday regarding alternative methods of funding the construction of Highway 104 in Nova Scotia? More important, does she not agree with many of us that this matter has dragged on much too long?

Apart from the confusion that has arisen from the redirection of funding from the Highway 104 program to the Fleur-de-lis program, a further result may be that we might now have toll highways right across the country. Even more sinister has been the impact and effect that no construction has taken place this summer on that stretch of highway.

Does she not agree that given the very real danger that exists for motorists on that part of the Trans-Canada highway system, perhaps it might have been better if the government had moved to restore that funding and thereby encourage the province of Nova Scotia to proceed with the development of that highway, thus providing an adequate resolution to the very dangerous situation that now exists? I ask this question in light of the fact that tourism rates are now up and the traffic count is high.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I appreciate Senator Forrestall's concerns and the concerns of other senators on this issue.

I cannot throw any more light on the subject-matter of the question asked by the honourable senator yesterday. I am aware that similar questions were raised in the other place. In his responses, the Minister of Transport once again underlined the fact that decisions respecting highway construction, the allocation of funds and the routing of highways is a provincial matter and comes within the primary responsibility of the provinces in question.

**Senator Forrestall:** I do not need a lecture on the background politics relating to highways!

**Senator Fairbairn:** However, that does not go to the specifics of my friend's questions.

**Senator Forrestall:** I am worried about somebody being killed on that stretch of highway. If it happens, it will be our fault!

**Senator Fairbairn:** I understand my friend's concerns. I am continuing to try and obtain, for both you and Senator Comeau, greater detail on this matter in as collective and in-depth a way as is possible.

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• (1440)

# ROUTINE PROCEEDINGS

## AUTOMATED WEATHER OBSERVATION SYSTEMS

### ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES—COMMITTEE AUTHORIZED TO TABLE INTERIM REPORT

Leave having been given to revert to Notices of Motions:

**Hon. Colin Kenny:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move:

> That, notwithstanding usual practices, if the Senate is not sitting when the Interim Report of the Standing Senate Committee on Energy, the Environment and Natural Resources on the Safety Implications of Automated Weather Observation Systems (AWOS) is completed, the Committee, which was authorized by the Senate to examine the issue of jobs and the environment and, in so doing, provide a forum where issues, in which there seems to be a conflict between

the creation of jobs and the preservation of the environment, could be discussed with a view to moving them closer to the point of mutually advantageous integration, shall deposit its Interim Report with the Clerk of the Senate, and said Report shall thereupon be deemed to have been tabled in this Chamber.

**The Hon. the Speaker:** Is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## BUSINESS OF THE SENATE

Leave having been given to revert to Government Notices of Motions:

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, there have been discussions between the leadership on both sides. I believe that we have agreement on a plan for our work over the next couple of weeks. We are asking committees to meet in the coming days to deal with legislation which they now have before them. If the plan is acceptable, I will move for adoption of a house order pertaining to that legislation.

If it is the will of the Senate, I will call Bill C-69 for consideration immediately thereafter.

Therefore, with leave of the Senate and not withstanding rule 58(1)(*f*), I move:

> That all Standing Committees to which legislation has been referred, with the exception of Bills C-22 and C-68, be instructed to report such legislation back to the Senate no later than 8:00 p.m. on Tuesday, July 11, 1995.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

**Hon. Lowell Murray:** Honourable senators, I should like to say just a word on this matter. Last night three bills were referred to the Standing Senate Committee on National Finance: Bill C-82, the bill concerning the Royal Canadian Mint; Bill C-65 with regard to the reorganization and dissolution of various federal agencies; and Bill C-85, the members of Parliament retiring allowances bill.

I have cancelled a meeting which I had earlier called for three o'clock today because the Senate, contrary to my expectation, is sitting this afternoon. I have convened the committee for eleven o'clock tomorrow morning, at which time we will take whatever time is necessary to deal with the bills, it being understood that, if necessary, we could meet again in the morning or afternoon of July 11.

I know that my friends, the Leader and Deputy Leader of the Government, are making every effort to produce, in the case of each bill, a minister or a parliamentary secretary to testify before the committee. I wish to emphasize the importance of that. They have already produced a parliamentary secretary for tomorrow afternoon at one o'clock, on Bill C-82. I hope and expect that they will be able to do so in respect of the other bills.

There is a policy component to all of this legislation, and it would not be sufficient to have public servants, regardless of how senior they may be, arrive alone at the committee. I realize that if this motion passes we will be required to report the bills on Tuesday night, July 11, but there is nothing in the motion that says how we have to report them. In view of the fact that the Senate is going some distance to accommodate the government, I would hope that the government would give us the very basic minimum cooperation that is required by producing the necessary witnesses.

**Senator Graham:** Honourable senators, that is a very valid question and a very legitimate concern expressed by Senator Murray. You will understand that the lateness of the hour last evening provided some difficulties in securing the appropriate witnesses as asked for by the Chairman of the Finance Committee. I shall give him and all honourable senators an undertaking that we are making every possible effort to get the officials who have been asked for by the chairs and indeed members of the various committees.

In that respect I wish to thank all honourable colleagues for their cooperation.

**Hon. Marcel Prud'Homme:** Honourable senators, I should like to ask a question of the Chairman of the Finance Committee. He said that he intends to proceed with Bills C-82, C-65 and C-85 tomorrow. As you know from my interventions last night, I am interested in Bills C-82 and C-85. Could the chairman indicate now in which order he intends to proceed with these bills, and when?

**Senator Murray:** Honourable senators, much depends on the availability of the witnesses. I have scheduled Bill C-82 for approximately one o'clock tomorrow afternoon, that being the earliest time that the parliamentary secretary can be present.

I do not know yet whether we will have witnesses for the other two bills tomorrow morning at eleven o'clock, but I will advise my honourable friend and other interested honourable senators as to that.

**Senator Prud'homme:** I should like to join with the view expressed by the chairman. Last night, my friend Senator De Bané corrected me with regard to the bill on pensions. However, having read the bill this morning I still find some very disturbing items in it concerning, for instance, unmarried members, widows and divorce in favour of new common law relationships; things which should interest all members.

I cannot understand how the House of Commons could have passed such an important bill so rapidly. This is unbelievable. I am pleased and honoured to be in the Senate where we will not proceed as the House of Commons does on very important matters.

I hope there will be someone in authority at the committee to answer my very precise questions on Bill C-85. It is in the interest of every member of Parliament to pay attention to this bill. Members of the House of Commons should have paid more attention to the details of this legislation because if it proceeds as is, some people may discover some surprises too late.

• (1450)

**Hon. Eric Arthur Berntson (Deputy Leader of the Opposition):** Honourable senators, I have a small technical point for clarification. As I understand it, the House of Commons deals only with government legislation and, for example, the subject-matter of Bill S-10 would not be impacted by this house order.

Likewise, I think we have already dealt with Bill S-7, so it would not count. We are talking about government legislation.

**Senator Graham:** That is correct.

[*Translation*]

**Hon. Jean-Maurice Simard:** Honourable senators, to pursue the point made by Senator Prud'homme, I would like to be quite clear about the agreement that will be put to a vote in a few moments, and I am referring to the schedule of bills before this house. I think my opinion is shared by a number of Canadians and certainly by a number of senators in this house.

Thanks to poor management on the part of the Government House Leader in the other place, this year again we have to make decisions and rush through pieces of legislation of great importance to Canadians.

Before I approve this agreement, I want to make sure we all understand the situation. My understanding is that committees will present their reports to this house later than July 11 at 8:00 p.m., except in the case of two bills C-22 and C-68.

I want to make it clear to the Leader of the Government in the Senate or her deputy that just because the committees present their reports on July 11, she should not assume that we will rush these bills through in the following three hours. Quite the contrary. We may take a week or two or three weeks, if necessary, to consider the bill on pensions, Bill C-104 concerning forensic DNA analyses, and Bill C-91, which is now before us and concerns the future of the Federal Business Development Bank.

Senator Graham, perhaps you could tell us whether you have the same understanding as I do regarding this agreement.

[*English*]

**Senator Graham:** Honourable senators, I have never taken anything for granted. I presume the committee members will do their work very assiduously.

If the members take advantage of the time available, they will be able to complete their work by July 11. That is the understanding between both sides of the house. If there are serious concerns, I am sure that they will be brought to our attention on July 11.

I want to report a bit of progress with respect to witnesses because I understand that Mr. Massé is available for Bills C-65 and C-85. He will appear at eleven o'clock tomorrow morning before Senator Murray's committee. I also understand that Minister Eggleton or his parliamentary secretary, Mr. Duhamel, will possibly be able to appear before the committee at noon. That is the latest information, but stay tuned.

**The Hon. the Speaker:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), it was moved by the Honourable Senator Graham, seconded by the Honourable Senator Hébert:

> That all Standing Committees to which legislation has been referred, with the exception of Bills C-22 and C-68, be instructed to report such legislation back to the Senate no later than 8:00 p.m. on Tuesday, July 11, 1995.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

# ORDERS OF THE DAY

## ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

MOTION TO CONCUR WITH MESSAGE FROM COMMONS

On the Order:

Resuming the debate on the motion of the Honourable Senator Graham, seconded by the Honourable Senator Hébert:

That the Senate do not insist on its amendments 1, 2, 3, 4(*b*), 4(*c*), 5, 6 and 7 to the Bill C-69, An Act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries, to which the House of Commons has disagreed; and

That a Message be sent to the House of Commons to acquaint that House accordingly.

**The Hon. the Speaker:** Honourable senators, before Senator Murray begins, I wish to inform you that the Honourable Senator Murray had been speaking on this motion. He now has seven minutes remaining to do so.

**Hon. Lowell Murray:** Honourable senators, I had intended to point that out to His Honour, even if he had not done so. I think I can fairly summarize our position in the seven minutes that are remaining to me from the speech that I began one week ago.

Honourable senators, it was on June 14, 1994, that the Senate passed Bill C-18, as amended. Following Royal Assent, it went into the statute books as Chapter 19, the Electoral Boundaries Readjustment Suspension Act, 1994. The purpose of that bill was to suspend the work of the boundaries commissions that had been appointed following the 1991 census until a new electoral boundaries law had been passed by Parliament, had overtaken the present process and had cancelled it, or until June 22, 1995, whichever was earlier.

This is not one of those situations where many years after the event we are asking ourselves and each other what was Parliament's intent. We know what Parliament's intent was in so doing. Most of us were here 12 months ago when Bill C-18, as amended, was passed.

Some honourable senators opposite are trying to argue that the June 22 deadline in Bill C-18 means nothing today and, in fact, that it never did mean anything, even when it was passed. However, honourable senators, the June 22 deadline was not just a major issue; it was the major issue on which a compromise had to be sought, and found, between the Senate on one hand and the government on the other.

Honourable senators will recall perhaps that we on this side had put forward an amendment providing that the deadline be February of 1995. The government argued for a June 1995 deadline. The government's view prevailed, and we adopted June 22 as the deadline.

The June 22 deadline was a key issue. You have only to read the comments made in the House of Commons by the sponsoring minister, Mr. Gray; or those of the Secretary of State, Mr. Fernand Robichaud; or, indeed, those of the Leader of the Government in the Senate, Senator Fairbairn.

The most recent testimony we have had from the other side concerning the fate of Bill C-69 came from Senator Stanbury when he spoke on Wednesday, June 21. Various statements by Senator Stanbury have been put on the record. I want to add to the record the very last words from the speech that he gave at 3:20 p.m. last Wednesday, June 21, 1995, as reported in the *Debates of the Senate* at page 1851. He said:

> All parties know the nature of the bill, the time constraints, and the fact that the government is opposed to all but one of the amendments, which was accepted.

He then said:

> All senators now have the opportunity to decide the fate of the bill on its substance or on the simple failure of the Senate to give consent to its disposition.

• (1500)

Honourable senators, that sums up the situation quite well. If no new law were passed before June 22, then the commissions appointed following the 1991 census would be revived. They would complete their work, and the next election would be fought on the present law and on the revised maps once proclaimed.

Those maps were sent by the Chief Electoral Officer last Thursday, as the law provides, and the Speaker of the House of Commons tabled them in that chamber last Thursday afternoon.

The Leader of the Opposition, Senator Beaudoin, Senator Nolin and others have pointed out that Bill C-69 is a dead letter. The Speaker has ruled that this is not a procedural question for him to decide, but rather a legal question. A legal cloud is over this bill.

I heard honourable senators opposite last week saying that Bill C-69 would repeal Bill C-18 with the June 22 deadline. Of course, honourable senators, if Bill C-69 had passed before June 22, Bill C-18 would be a dead letter and would be repealed. However, that is not what happened.

By June 22 at the latest, either Bill C-18 or Bill C-69 was destined to be a dead letter, and we are arguing that Bill C-69 is the dead letter.

I heard another honourable senator say last week that if Conservative senators' logic were followed, it would never be possible to amend the electoral boundaries legislation. Well, of course it will be possible, but you would have to do it right. I argue that you would have to amend Bill C-18 by pushing the June 22 deadline ahead to some future date, or repeal Bill C-18 and start over again with a new bill, if you want to amend the electoral boundaries law. To argue otherwise is to argue, as senators opposite have been doing, that Bill C-18 and, in particular, the June 22 deadline means nothing now and never did mean anything.

Surely honourable senators would not suggest that Parliament put that date in for no reason at all. Surely they would not suggest that it is possible now to ignore that statute and the deadline.

Honourable senators, we have a bill before us procedurally alive, perhaps legally dead, and certainly under a legal cloud. I do not believe that we can or should pass it while it is under that legal cloud.

MOTION TO REFER QUESTION AND MESSAGE FROM COMMONS TO COMMITTEE ADOPTED

**Hon. Lowell Murray:** Therefore, I would move, seconded by the Honourable Senator Robertson:

> That the question, together with the Message from the House of Commons on the same subject, dated June 20, 1995, be referred to the Standing Senate Committee on Legal and Constitutional Affairs for consideration and report.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, in speaking in response to Senator Murray's motion, I do so in the context of the agreement worked out earlier today by the deputy leaders on each side of this house. We have agreed that the committees of this house will complete their work and report back to the Senate on July 11, with the exception of two particular pieces of legislation. Included in this agreement is Bill C-69, a piece of legislation of high priority to the government and, indeed, to the members of the House of Commons.

The Standing Senate Committee on Legal and Constitutional Affairs will hear witnesses on this bill and the process which has brought it to this point in the Senate.

I do not intend to retravel at length the sometimes bumpy road which led to Bill C-69, other than to note that it had its genesis in Bill C-18, which was before this house more than a year ago.

As a result of amendments proposed in this house and agreed to by the other place, the current electoral boundaries commissions were suspended until June 22 of this year in anticipation of the enactment of a new piece of legislation.

In a very special parliamentary departure, the House of Commons Standing Committee on Procedure and House Affairs was given the mandate to draft new legislation on electoral boundaries readjustment and, with the consensus of two parties, produced Bill C-69.

Honourable senators opposite had envisaged a process that would have been completed by last February 6, but the government believed that that timetable was too tight and extended the date to June 22 in terms of maintaining the suspension of those commissions.

I suppose, honourable senators, it is always risky to make assumptions about the speed with which either house of Parliament might function. This bill is a case in point. The Commons process was a lengthy one, and, as it turned out, opposition senators did move amendments to the bill when it came here. By the time these were dealt with by the House of Commons and returned to this house last Wednesday in the form of a message, the bill was not passed according to the June 22 timetable in Bill C-18.

What this means, honourable senators, is that the current commissions have resumed their activities, but contrary to the strongly held views repeated today by Senator Murray and opposition colleagues, the government is of an even stronger conviction, based on assurances by our legal advisers, that Bill C-69 continues to be intact and remain properly before this chamber for urgent passage. We do not concede for a moment that this bill is, in the words, of Senator Murray, a "dead letter."

Honourable senators, we can all recall that at the core of the opposition's difficulty with Bill C-18 was the fear that it would not permit the next regular election to be held on the basis of the 1991 census. That concern was shared by a great many people in the country, in various provinces, within our own party and, indeed, within the government. Changes were made. Bill C-69 deals with that concern.

The other concern, as Senator Murray indicated, was the timetable. The amendments sent from the Senate, with the exception of a technical difficulty which the government was pleased to address, have pursued new disagreements on the content and the process which members of the other place had established to change the redistribution of the electoral districts where they are voted into Parliament by the people of Canada. Those concerns of the Senate were debated in the House of Commons, and all but one of the amendments suggested by the opposition senators was rejected. That message was sent back to this house, not as a peremptory rejection. It was seriously considered. It was fulsome, and it was respectful of this place.

Honourable senators, the Senate has done its job on this bill, as it has done a job on similar bills in recent years put forward by the previous governments concerning redistribution. As has been noted before, Bill C-69 does not simply tinker with the process — it sets up an entirely new system, which has been carefully explained by my colleague Senator Carstairs, who has carried this bill for the government with great care in this house and in the committee.

• (1510)

With the passage of Bill C-69, the Electoral Boundaries Readjustment Act is repealed, as well as the Electoral Boundaries Readjustment Suspension Act, 1994, Chapter 19 of the Statutes of Canada, 1994. The current electoral boundaries commissions would be replaced by a whole new system.

Honourable senators, it would have been highly preferable to have had all of those matters completed in a neat and tidy way by June 22 last. As was anticipated, however, Parliament, in either house, is neither a neat nor tidy place, and that result, to the consternation of some, did not come about.

However, and I will repeat this to Senator Murray, the government strongly rejects any contention that Bill C-69 is improperly before this house. It rejects also any suggestion that either the government or Parliament is restricted or prevented in any way from proceeding with amendments to the electoral boundaries process as a result of events in recent days.

All senators in this house must have an opportunity to take a decision on this matter. The majority may wish ultimately to defeat this bill. That is their prerogative. However, we must have a chance, all of us in this house, to make a choice.

With all of the actions and the accommodations of the past year, the movement back and forth between the two houses and the response twice by the government on the other side, we believe that the new bill should be passed following the completion of the final committee hearings.

Honourable senators, I recall to you the words of a former Conservative Justice Minister, Leader of the Government in the Senate and Leader of the Opposition in the Senate, the Honourable Jacques Flynn, when he spoke for his party about the principles to be followed when this house was asked to deal with legislation on electoral boundaries. On December 18, 1985, at second reading of Bill C-74, on which many of us also spoke in this place, Senator Jacques Flynn pronounced as follows:

> ... I would say this is an area that almost exclusively concerns the House of Commons, and I think that we as a non-elected chamber and as appointed legislators are hardly in a position to tell the members of the House of Commons how they should proceed to draw the boundaries of their electoral districts.

Many of us in this chamber were here when Senator Flynn made those remarks. He was a parliamentarian of considerable experience and skill. I would tell my friends on both sides of this house that in effect, in the process of the past year, this Senate has taken a very active rather than a passive role on this issue. All of us in this house might reflect on some of the views that Senator Flynn expressed as we approach a final decision.

I am pleased that there will be a variety of opinions expressed on this issue as the committee does its work, and we on this side look forward to returning at a time when we will have an opportunity in this chamber to make a decision on this very important bill, not just for Parliament, but for the Canadian people who vote for the representatives who work and represent them in the House of Commons.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, it was not my intention to speak on Senator Murray's motion because I thought that the debate on the side of the government would be limited to the validity of sending the bill to committee for legal assessment as to whether or not that bill is still valid. However, after hearing certain comments, I cannot help but react.

It is all very well for the Leader of the Government to quote Senator Flynn. In the circumstances under which he made that statement, it was extremely valid. However, that goes back some years. Today we are faced with a situation where a bill is before us which may be invalid. That was not the situation in which Senator Flynn found himself at the time.

In any event, if the leader wishes to quote other individuals in order to justify her position, perhaps she could quote Warren Allmand explaining to us how it is that the policy of the Liberal government today is contrary to the principles of the Liberal Party. However, I will let that one go by.

Let us not quote the words of others simply because we do not have arguments of our own. Let us look at Bill C-69, which the Leader of the Government in the Senate has identified as a high priority to the Government of Canada and to members of the House of Commons. There has been no reference to the high priority of this bill to the people of Canada. Nothing has been said about the fact that this bill is in the public interest.

Not only is this bill in the interests of the members of the House of Commons, particularly most of the leader's colleagues from Ontario, but it was even written by members of the House of Commons. Those who have the most vested interest in the electoral process were called on to be the authors of a new electoral boundaries readjustment act. That is gerrymandering. This is what the original act, passed into law 30 years ago, was designed to counteract. It was to stop the government and its supporters from determining electoral boundaries.

Not only is the new Bill C-69 authored by members of the majority in the house, it is with the conspiracy — or, if that is too strong a word, with the "cooperation" — of at least one opposition party, depending upon which feature of the bill we examine. The most heinous part of the bill is that it also compromises the Speaker of the House of Commons. It makes him part of the conspiracy.

Under the present act the Speaker, on his own, can name two of the three members of each of the provincial boundaries commission. The new bill, Bill C-69, says that, after consultation, the Speaker will name two of the three. After consultation with whom? Obviously with members of the government.

Under the present act, which has now gone back into effect since June 22, the political input of members of the house arises at the end of the process. Under Bill C-69, the political input starts at the beginning of the process because the Speaker of the house is instructed that, after consultation, he will then name two of the three members. The third member is named by the chief justice of the province, and that person becomes the chairman of the commission.

Under Bill C-69, if 20 members of the House of Commons disagree with the choice, they can rise within a certain period in the House of Commons and challenge the Speaker's decision. The ultimate authority of Parliament, the Speaker of the House of Commons, whose decisions on any procedural matter cannot be challenged, is being told that in the Electoral Boundaries Act, as suggested under Bill C-69, "Sir, you are part of cooperating with us to make sure that the majority members on each boundary commission sympathize with our objectives."

Can we envision 20 members in the House of Commons getting up and saying, "Sir, we disagree with those two members or that one member that you named in that province because their approach to electoral boundaries does not identify with ours"? The Speaker of the House of Commons could have a decision of importance overruled. What would be his choice? He would have to resign. He would have no other choice. Under Bill C-69, you are asking us to put the Speaker of the House of Commons in that dreadfully impossible position. We will not be party to that.

• (1520)

We will not get to Bill C-69 because the evidence is overwhelming that this bill has lapsed. The deadline has gone by. The whole debate since Bill C-18 was introduced has been on establishing a deadline. Minister Gray said, "I need two years, but maybe I can bring a new bill within two years," accepting that he had two years to do so.

We suggested the date of February 1995. The government, as Senator Murray pointed out, said, "That is a bit difficult. We will pledge ourselves to try to bring something in before June 22, 1995, otherwise we will be in the situation we are in today."

Bill C-18 is still alive. Bill C-69 has gone by the boards. In any event, I hope we will have expert, independent advice. That of the government, of course, has already been given to us by Senator Fairbairn. I am sure Senator Beaudoin will bring in expert advice that, I have no doubt, will save us the embarrassment of having to pass such a heinous bill as Bill C-69, which is self-serving and of no value to the Canadian public.

**Hon. Sharon Carstairs:** Honourable senators, is it not amazing that we can debate with such obvious passion a bill that the opposition argues is dead? The bill will go to committee. The committee will debate it. When the committee debates whether this bill is alive or dead, I would ask committee members to remember the following remarks made by Senator Murray on Tuesday, June 14, 1994, when he said:

> Finally, honourable senators, I just want to say this: I think that on a matter of this kind, the elections law and redistribution process, the government should seek the broadest possible consensus among the political parties in the House of Commons. I believe that, for our part, we senators should look favourably upon any bill that enjoys that kind of consensus.

Senator Ghitter, on April 21, 1994, stated:

> Personally, I would have no difficulty with amendments that would allow the bill to go forward, on the understanding that all the work that has been done already by the commissions will not be lost, and also on the understanding that by the time a new election comes about, there will be new boundaries.

Finally, on the same day, Senator Lynch-Staunton stated:

> We have absolutely no objection to a full parliamentary review of the Electoral Boundaries Readjustment Act, as long as the next federal election is based on electoral boundaries arising out of the 1991 census.

Honourable senators, Bill C-69 achieves each and every one of those objectives. I hope that we will come back to this house with an order for its speedy passage.

**Senator Murray:** Perhaps the honourable senator would permit one question. With regard to the consensus in the House of Commons, is Senator Carstairs aware that the message which we received at the eleventh hour on June 21 from the House of Commons had to be rammed through that chamber using closure? Some consensus!

[*Translation*]

**Hon. Marcel Prud'homme:** Honourable senators, I would not want to repeat all the speeches I have made on this issue.

[*English*]

It is to Senator Fairbairn that I should like to make a concrete proposal. While we deliberate time is ticking away. Personally, I feel like Warren Allmand. He cannot come to terms with undoing what he thought we did well under the Pearson and Trudeau governments. I cannot come to terms with undoing what was done by Mr. Pearson. I was there when what was known as the gerrymandering was taking place. Some honourable senators shared that experience.

So be it. However, something is very disturbing. We know now that the Chief Electoral Officer of Canada tabled his eleventh report at 3:12 p.m. on the day on which he was supposed to table his report.

I do not know in what Bill C-69 will result. That is why I was careful last week not to say where I stood in regard to Bill C-69. Does it exist or not? If I had taken a position, the comments Senator Carstairs made a minute ago could well have been addressed to me. How can one speak to something that does not exist?

I wish to say to the government whip, his colleagues and all those who have friends in the government that since last week a deadline has been in place. If Bill C-69 is supposed to die here in the Senate, then members of the other place will have to prepare themselves for a big surprise. I worked on these committees for 30 years.

From the tabling of the report in the House, members have 30 days in which to give notice that they intend to make an ultimate representation. Among the regulations attached to this condition is the proviso that any member can make representation to the committee that will sit when the House sits. That takes into account another 30 days.

However, the first 30 days is now ticking. Any member who wants to make a representation must have the signature of 10 members of the House of Commons. For example, one might say, "I disagree with the electoral map of New Brunswick."

May I say to my esteemed colleague from New Brunswick that I was disturbed when I read the strong minority report made by one of the New Brunswick commissioners involving the loss of a seat to francophone New Brunswickers? This is dramatic.

Honourable senators, I should like to explain this issue once again clearly because I am sure I was not too clear the first time. The Speaker of the House of Commons has received the eleventh report. In the 30 days following the tabling of the report, any member can make an appeal to the committee that will sit when the House sits.

In the past I followed all the rules. I went to court. I went to the committee. I went to the committee on behalf of others. I won some and I lost some.

Let us say that I am a person from New Brunswick and I am unhappy with the map. As one member of the House I must obtain the signatures of any 10 members from any province and state, "I intend to appeal when that committee sits, but there are only 30 days as of last week."

I am afraid that if something bad happens to Bill C-69, members will take their chance. They have nothing to lose. If there is a new bill, if Bill C-69 is okay or if Bill C-69 passes, then they have lost but a few moments of their precious time having said that they intend to go to a committee to make an ultimate representation.

When the House reconvenes in September, they will have to listen to the views expressed by these people who gave notice within the 30 days starting last week.

• (1530)

They will have to give those to the Speaker, who will give them to the Chief Electoral Officer, who will give them to the respective commissions, which will have 30 days to act. That is the 90 days about which some members are talking. They forget that the 30-day time periods are split. Two are joined together, but this one is alone. If they do not move now, they will all be facing the reality that they were negligent or that someone did not keep them informed.

The House of Commons has adjourned for the summer. Senators cannot sign; the act specifically stipulates any 30 members of the House of Commons, not any 30 members of Parliament.

That is my positive approach. It is the duty of the whip to inform the national caucus and others who are interested. If anyone sees virtue in my proposal, they should find 10 members to sign, and give notice that they intend ultimately to appeal to the committee of members of the House of Commons who will study the matter and report back to the commissioner. Luckily, last time most of the representations made by members of the House of Commons were accepted. Some were rejected.

Mine is a humble proposal for the summer. I sat in the House of Commons for 30 years and I know what is going on there. I know that some members are unhappy. Those who are unhappy now may think they will be happy with a new map. Those who are totally happy with the present map — and there are many of those — may end up being totally unhappy with a new map. It is give and take for them.

I will attend the committee studying Bill C-69, albeit as a non-member. I have been involved in this sort of activity for 30 years, and I certainly do not wish to drop out at the end. Come what may, the universe will unfold as it should. In the meantime, someone must bring some sanity to members of the House of Commons and tell them the true realities.

I can tell you openly that they do not know about the ticking of the clock in the last 30 days. If I am proven wrong by esteemed colleagues in the Senate, I will stand corrected, but I do not think I am wrong. If I am wrong, I will not mind apologizing publicly. However, if I am right, something should be done. I have privately given my full agreement to Senator Graham to proceed as he intends today.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

## BUSINESS OF THE SENATE

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, before proceeding, I want to ensure that all honourable senators understand that Bill C-69 was included in the order of the house that we passed earlier.

## CODE OF CONDUCT

### APPOINTMENT OF SPECIAL JOINT COMMITTEE

On the Order:

Resuming the debate on the motion of the Honourable Senator Stanbury, seconded by the Honourable Senator Rizzuto:

That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of the Senate and the House of Commons to develop a Code of Conduct to guide Senators and Members of the House of Commons in reconciling their official responsibilities with their personal interests, including their dealings with lobbyists;

That seven Members of the Senate and fourteen Members of the House of Commons be Members of the Committee;

That the Committee be directed to consult broadly and review the approaches taken with respect to these issues in Canada and in other jurisdictions with comparable systems of government;

That the Committee have the power to sit during sittings and adjournments of the Senate;

That the Committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff;

That the quorum of the Committee be eleven Members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented, and that the Joint Chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six Members are present, so long as both Houses are represented;

That the Committee be empowered to appoint, from among its Members, such subcommittees as may be deemed advisable, and to delegate to such subcommittees all or any of its power, except the power to report to the Senate and House of Commons;

That the Committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That the Committee present its final report no later than October 31, 1995;

That, notwithstanding usual practices of this House, if the Senate is not sitting when the final report of the Committee is completed, the report may be deposited with the Clerk of the Senate and it shall thereupon be deemed to have been presented to the Senate; and

That a Message be sent to the House of Commons to acquaint that House accordingly.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Marcel Prud'Homme:** I have a question on this matter, honourable senators. The motion says "That a Message be sent to the House of Commons." The House of Commons is not sitting. However, it does not stipulate that, even though the House is not sitting, the message will be received, et cetera. I am of the opinion that nothing can start before the House of Commons receives the message from the Senate. I have checked on this, and the majority of my advisers tell me that I am totally right.

Such a message from the Senate must be received by the House of Commons when it is in session. Therefore, we can reserve our judgment as to what we would like to say. I sat on that committee for a year and a half with many honourable senators here. Once again, I stand to be corrected, but I should like to know how we intend to dispose of this matter.

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** This is an interesting point raised by Senator Prud'homme. I presume that the procedure would be to ask the Selection Committee of the Senate to meet and name the members of the committee, and to inform the other place. That opportunity will be available when we have Royal Assent for the legislation that we anticipate will require Royal Assent in the near future.

**The Hon. the Speaker:** I might point out that the message from the House of Commons did name their members; therefore, no further action is required by the House of Commons. Once the Senate names its members, the committee will be constituted.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to.

## EUTHANASIA AND ASSISTED SUICIDE

REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming the debate on the consideration of the Final Report of the Special Senate Committee on Euthanasia and Assisted Suicide, entitled: "Of Life and Death," tabled in the Senate on June 6, 1995.—(*Honourable Senator Keon*).

**Hon. Wilbert J. Keon:** Honourable senators, I should like to make a few remarks concerning the report of the Special Senate Committee on Euthanasia and Assisted Suicide which was tabled in the Senate on June 6.

First and foremost, I should like to express my gratitude to the hundreds of Canadian citizens — private individuals, health caregivers, legal, religious and other professional communities — who invested considerable time and effort either to appear before the committee or to prepare submissions to send to us. I believe that the quality of their contributions added a great deal to the deliberations of the committee. The diversity of their views are reflected in the committee's report.

I must congratulate our chairman, Senator Neiman, for the enormous effort she put forward to keep the deliberations focused and make this report possible. Our vice-chair, Senator Lavoie-Roux, also made enormous efforts to reflect the very strongly held convictions of those opposed to changes in the current laws on assisted suicide and euthanasia. This, coupled with the contributions of the committee members, resulted in a very balanced report containing a tremendous amount of information which will make a major contribution to Canadian society.

Indeed, I have had the opportunity of discussing this report at length with medical centres across Canada by teleconference. Health professionals across the country were deeply appreciative of its contents.

The subject-matters of the committee's mandate have become, in recent years, a very significant issue of public and political debate. They are very difficult issues to resolve, and that difficulty was evident both in the testimony and submissions our committee received and in the recommendations the committee members have reported.

The intellectual and emotional struggles involved in this debate surfaced not only among the competing points of view we heard from people across Canada but also, I believe, in the mind of each member of the committee.

• (1540)

Like the justices of the Supreme Court of Canada in their decision on the *Sue Rodriguez* case, our committee has delivered a split decision on the desirability of decriminalizing assisted suicide and euthanasia. I should like to emphasize that these were not partisan — they were honest and considered decisions arrived at after very careful and lengthy deliberations by each individual member of the committee. The differences of opinion that exist reflect the deep divisions of opinion in Canadian society on these issues. They also suggest that, as the Minister of Justice and other members of Parliament consider these issues in the months and years to come, they will not face an easy task of decision-making.

There is another point I should like to emphasize. Reports in the media have concentrated on the absence of a consensus in the committee on the critical issues of assisted suicide and euthanasia. Very little attention has been given to the unanimous consensus of the committee on a number of other issues which are very important to the public, to patients and to health care professionals. Those issues include withholding and withdrawal of treatment, the regulation of pain control, the practice of sedation, the provision and development of palliative care, and the legal and medical treatment of advance directives or "living wills."

In the case of some of these issues, the committee has simply clarified the legal status of these practices as it has evolved in recent years. That may seem to be a minor accomplishment, but I assure you that many medical practitioners will view that clarification as a welcome relief. In other instances, the committee has identified a need for policy and practice guidelines and has suggested that those guidelines or regulations should be standardized throughout Canada. Again, I can assure you that the health care community and patients would welcome clear policy directives from their ministries of health and clear practice guidelines from their governing bodies on these issues that surround the end of human life.

On the core issues of assisted suicide and euthanasia, the committee members have agreed to disagree with respect to each other's views and reasoning. We have disagreed also in recognition of — and reflecting — the serious divisions of opinion we heard from the public and within medical, legal, religious and other professional communities.

My own views, like those of my colleagues on the committee, are complex. In supporting assisted suicide under carefully regulated circumstances, I am contradicting my own moral and religious beliefs on this subject. My own beliefs would not allow me to commit suicide or to assist suicide, but as a member of the Senate committee, I feel obliged to reflect the views of what I judge to be the large majority of the Canadian public.

In the case of assisted suicide, I feel that several considerations should be taken into account. First, we heard repeatedly that approximately 5 per cent of dying patients experience physical pain that cannot be relieved by palliative care. Others experience pain of a different sort: emotional or psychological. We must ask whether or not we can legitimately deny the validity of their wishes or deny them their own autonomy. I have a concern also about the legal status or position of members of the health care community in the face of clearly stated and rationally defined wishes of a patient.

In light of those considerations and the apparent fact that assisted suicide does take place, I have concluded that assisted suicide should no longer be prohibited under the provisions of the Criminal Code. I do not take that decision lightly and I feel strongly that any future practice of assisted suicide should be carefully monitored and should be subject to strict guidelines, as the committee's minority has recommended in the report.

On the other hand, I cannot support the decriminalization of voluntary euthanasia. I believe that our society must move slowly and carefully in changing the law on these issues. We should proceed one step at a time with a careful assessment of the results of the first step and any subsequent steps we take. In the case of assisted suicide, the principal agent of death is the dying person — him or herself. The patient retains final control over the situation and has the opportunity at the last moment to change his or her mind. I believe that appropriate and effective controls can be put in place to ensure that. I am not convinced that the same controls would effectively prevent abuses if we were to relax the law on voluntary euthanasia.

I fully acknowledge the concerns of other members that if assisted suicide is decriminalized and not voluntary euthanasia, the result may be an infringement on section 15, the equality provision in the Charter, since it would discriminate against those who are physically incapable of committing assisted suicide and, thus, not afford them the option to choose the time and manner of their death.

There are those who feel strongly that assisted suicide could be proceeded with immediately, independent of euthanasia, in the interests of those who meet these guidelines — and since the guidelines would obviously be quite narrow in any event and exclude large numbers of people. I believe that assisted suicide should be legalized under controlled circumstances.

Honourable senators, these are very difficult issues which will continue to call for much searching of souls by Canadians not only privately and publicly but also individually and collectively. I should like to conclude my remarks by urging the decision makers who regulate medical practices, both in government and in professional associations, to act quickly on the many recommendations, apart from euthanasia and assisted suicide, on which our committee has reached consensus and has given direction.

[*Translation*]

**Hon. Eymard G. Corbin:** Honourable senators, it seems that instead of thanking the Speaker, one is supposed to thank one's honourable colleagues. This habit of mine probably goes back to the time when I was in the House of Commons. In any case, I want to thank the Speaker for recognizing me.

I do not have a prepared text, but this was a deliberate decision. After spending 15 months or so on the Special Senate Committee on Euthanasia and Assisted Suicide, I saw no need to sit down and write a speech. I feel I have a good grasp of the subject–matter, and I should have no trouble speaking "off the cuff." I will not keep you any longer than necessary this afternoon.

However, I first want to join the other senators who spoke in thanking Senator Neiman for the way she led the committee in its work and also Senator Thérèse Lavoie-Roux who showed remarkable diligence in her efforts to clarify the issues.

Incidentally, when I was a member of the House of Commons, I did at some point consider presenting a private member's bill to give the House of Commons an opportunity to discuss this question. Over the years, other members did so, which is entirely to their credit. I think it is the first time in Canada's history that one of our two Houses of Parliament decided to proceed with a more or less exhaustive study of the issues of assisted suicide and euthanasia.

I approached both subjects with a relatively open mind. Like everybody else, I have my own opinions, my legacy of moral values, beliefs and experience, but I also have a great deal of respect for the opinions of others. This exercise was in many ways very satisfying from a personal point of view. I got to know my colleagues and other members of the committee in a way I would not have otherwise.

In the heat of the debate, we all at some point let our emotions come to the surface. There was a lot of intensity and conviction in the arguments we heard, both for and against the various issues that came up for discussion. I really appreciated this opportunity to meet well-known figures in the legal and medical professions and people from all walks of life. On the committee I was probably the member with the least experience in this area.

One thing struck me during the initial weeks when witnesses appeared before the committee. There seemed to be something missing from the debate. There was a kind of vacuum. Implicit in the motion referred to our committee was the assumption that one could be either for or against. What about the middle ground? Of course, we wanted to examine all the ethical, moral and political aspects of the question. Was there no middle ground that would satisfy the most ardent supporters of euthanasia as well as its opponents?

It is after hearing one witness after another tell us about the value and the potential of palliative care that I finally made up my mind as a member of the committee. Even though Senator Thérèse Lavoie-Roux, among others, was kind enough to give me credit for writing the chapter on palliative care, I cannot take that credit because, ultimately, it is René Leduc, a researcher whom I hired, who did all the work, who contacted all the provinces, who made numerous phone calls, who reviewed all kinds of documents, and who analyzed the witnesses' position on the issue of palliative care.

It soon became obvious that our country is far from providing the quality of palliative care its citizens could expect. I think that members of the committee pretty well agree on that: we can do better, given the resources already available in the institutional, medical and volunteer sectors.

Since I just alluded to volunteer work, I should add that, if it were not for volunteers, Canada would be lagging behind a whole lot more as regards palliative care. Canadians give from the heart. Hundreds and even thousands of people freely give their time, day and night, to help the sick. It is thanks to these people that our country can take pride in the fact that it has a palliative care network which, albeit limited, is still the envy of many other countries. There is a lot to do. I am personally convinced that through a better allocation of the available fiscal and financial resources, we could dramatically improve palliative care provided to the terminally ill.

Be that as it may, I must tell you something which I should have told you when the final version of the report was being drafted. I actually intended to do so, but I missed the last week of the work of the committee. I can only blame myself for this delay, but I still want to distance myself from the unanimous opinion or recommendation to the effect that the Minister of Justice should consider establishing a third degree of murder which, I want to make it clear, was one of our recommendations. That third degree includes murders committed for compassionate reasons, which would be subject to a reduced penalty.

I think that if there is "compassion" in the commission of a murder, the jury and the judge will take it into consideration. However, I believe that establishing a third category of murder would be inviting some individuals to use what is ultimately a subsequent defence as a motive to commit a murder, something which would result in reduced respect for life.

I apologize to my colleagues, as well as to the chair, vice-chair and members of the committee, for not stating that opinion during the review of the report. I was not there during the last week. I had intended to raise this issue. However, since I was absent, I missed the opportunity to do so. I want first and foremost to be able to live in peace with my conscience. This is why I make this statement today.

The recommendations made by the majority in the report are mine in every respect, except as regards the issue to which I just referred.

I have no intention of repeating everything that was said in the report. The report is very well written in both official languages. It was a hard task, since it was pioneer work. We had to agree on definitions. We had to focus on each term. That was not easy.

All in all, the majority's decision is also mine. It is my point of view. To reporters who ask me what I think of the report and what is my position, I could answer that they need only read the report, from the beginning to the end, including the appendices, and conclude that wherever there is some mention of the majority's point of view, it is also mine. I do not have anything to add.

I noted that the Prime Minister was quoted in *La Presse*, maybe through someone else, as saying that if the government were to decide to propose such a committee of the House of Commons, that committee should consider some areas our committee did not examine because it lacked the time or the resources.

There is one area, in particular, about which I am not satisfied. I do not believe that, at this point in time, serious and detailed studies have been done on the nature of physical and moral suffering. This is an issue that has bothered me throughout our work.

As I said to the committee, it seems that, at times, nature is generous enough not to make death such a painful experience for everyone. We were told that for 5 per cent of all dying patients, the pain cannot be controlled because there is no medication, no remedy and no solution available.

Sometimes, I think mental pain is worse than physical pain. Some people die as they lived and do not accept death. For them, death is the ultimate defeat. In a moment of despair, they suffer horribly, I am sure. No one here has gone through that. Very often, it is not the dying patient but the people who support him or her who suffer the most.

This is why I think we should undertake more comprehensive studies and research on the phenomena of physical and mental pain. Supportive care to dying patients, which is part, of course, of any good palliative care program, is also significant and must be taken into account. Evidence has shown that dying patients given support towards the end of their lives accept death more easily. This area deserves further examination.

We did not travel outside the country, and I think it would have been useful for the committee, if it had been authorized to do so, to go to the Netherlands. The committee should have met with the researchers who carried out the study on euthanasia in the State of New York. I think it would have been useful for the committee to meet with the British Lords who examined this issue. We should also have invited or met other foreign personalities and politicians not only to compare our studies but also to share our personal experiences. Finally, these are all matters a House of Commons committee could consider and examine thoroughly.

Having said that, I think the public debate Senator Neiman wished for has now been initiated, and very well indeed. The report has been very well received by most commentators, even if it has been sharply criticized by some. That comes as no surprise to me, because those people are really not open-minded. They have but one thing in mind, their own objectives. They refuse to try to understand other people's views. However, that is part of our political experience. We can never please everybody.

I take this opportunity to tell Senator Neiman and Senator Thérèse Lavoie-Roux once again that I greatly appreciated their leadership, even if they held opposite views. Out of the clash of ideas came, if not light, at least very useful information. I think that by undertaking this work we did a great service to this country. I wish the best of luck to those who, in the future, will have to deal with this fundamental issue.

On motion of Senator Neiman, debate adjourned.

[*English*]

• (1600)

## STATE OF CANADIAN FINANCIAL SYSTEM

### REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the eighteenth report of the Standing Senate Committee on Banking, Trade and Commerce with respect to its study of the state of the financial system in Canada, presented in the Senate on June 15, 1995.

**Hon. John Sylvain:** Honourable senators, I move that the report be adopted.

Motion agreed to and report adopted.

[*Translation*]

## CANADA COUNCIL

CLOSURE OF ART BANK—INQUIRY—DEBATE CONTINUED

On the order:

Resuming the debate on the inquiry of the Honourable Senator Corbin, calling the attention of the Senate to the virtually unanimous opposition of artistic and cultural groups to the announced closing of the Canada Council's Art Bank. — (*Honourable Senator Roux*).

**Hon. Pierre De Bané:** Honourable senators, as our esteemed colleague Senator Roux is not with us this afternoon, I would like to say a few words on this matter. Here are a few comments that I respectfully submit to your attention following Senator Corbin's remarks on the Canada Council's decision to shut down its art bank.

I do not wish to comment on the validity of the Canada Council's decision, nor do I want to talk about the merits of the Art Bank, the benefits that Canadian visual artists can derive from it, or its role to make art lovers mainly, but also Canadians in general, more aware of Canadian art.

I would like to open up the debate a bit by talking briefly about two aspects of the issue. First, I would like to talk about the difficult situation now faced by the senior management of our great national cultural institutions because of the budget cuts made following the tabling of Minister Martin's Estimates for the 1995-96 fiscal year. Also I would like to say a few words about the role and responsibility of governments — especially the federal government — in arts and culture. I will be dealing mainly with the Canada Council, although all our great cultural institutions are currently in the same difficult situation. I might add that the Canada Council is probably better off than the others.

It must be pointed out that the current situation is not a recent phenomenon; it goes back a long way.

Since 1987-88, parliamentary appropriations for the Canada Council have gone down 22.8 per cent in real terms — what is commonly referred to as constant dollars — once inflation is factored in.

The latest cuts, of course, go back to the beginning of this year. This is a brutal fact cultural agency heads and boards of directors or governors must face. If I may, I would say that they have to face the music and make decisions that "hurt." At the Canada Council, these include closure of the Art Bank. At the CBC, they are leading to the laying off of thousands of employees and the closure of the library in Montreal, an essential resource for creative artists. At the National Arts Centre, they have resulted in the elimination of the positions of the directors of dance and of both English and French theatre, and hence the cancellation of three seasons of dance and theatre to make way for multidisciplinary festivals and commercial productions. At Telefilm Canada, these decisions include the end of assistance to regional film festivals, such as the Témiscamingue film festival, in favour of the major festivals, such as those in Montreal, Toronto and Vancouver. At the NFB, this means that regional film libraries will be closed and their collections turned over to public libraries. I have been told that so far it has been possible to protect production and creative artists, but this will probably not last in the years to come.

The nature of the decisions made is open to challenge, but not the need to make them. This is the result of the alarming financial situation Canada and the provinces are in. It is the unfortunate side effect of the reduction in parliamentary appropriations for these major cultural agencies. Such cuts can elicit two responses. The first is the following: Performers and creative artists in the cultural sector are just like everybody else and, like all Canadians, must also feel the effects of the crisis.

Social programs have been hit; hospitals are closing; tens of thousands of jobs are being cut in the public service and in the private sector. There can, however, be another response.

Last week, at the monthly dinner of the friends of *Cité libre* —which I attended with Senator Gigantès, who is here — I listened to the speech made by Judith Maxwell, who is the president of the Canadian research network on public policy, a renowned analyst of socio-economic issues, as well as the former chairperson of the Economic Council of Canada.

Her presentation was entitled "Fiscal Deficit — Social Deficit." This title reminds me of Senator Gigantès' report on the same issue. Mrs. Maxwell argued, among other things, that the fiscal deficit generates a social deficit and that it is dangerous to deal with the former while ignoring the latter since it could make things worse.

Mrs. Maxwell mentioned the following problems as symptoms of our social deficit: the school drop-out phenomenon, the unemployment rate — the issue reviewed by Senator Gigantès — growing economic uncertainty, personal distress and the collapse of the family unit. In my opinion, she forgot one of the most important symptoms, namely the deterioration of the quality and the status of arts and culture.

I have previously stressed the importance of artistic and cultural environment to our society. Senator Roux, who probably speaks with more authority than most of us on the subject, has said that culture and the arts are the oxygen, lungs, and heart, the vital organs of any society. Senator Roux made it clear that culture is what gives the country its soul.

When we travel abroad, we are interested in a country's cultural achievements. When we go to Italy, for instance, we remember its historic monuments, works of art, and so forth. That is what gives the country its soul.

Without the arts, without culture, society runs a deficit. Governments, and especially the federal government, should bear in mind this aspect of our social deficit when they set their priorities. Who knows, perhaps arts and culture will be spared the frenzy of government cost cutting across the board.

I believe, finally, that we need culture as much as the food we eat and the air we breathe. In the end, performers and creative artists are the ones who can best express a country's soul.

Honourable senators, I will stop here. However, having discussed this with my colleagues Senators Corbin and Grafstein, I believe that it would be in order to strike a special Senate committee with the mandate to study these essential issues. Next fall, it is quite possible that we will suggest such a committee by calling on a few of our colleagues across the way because, in these important matters, all partisanship must be avoided.

I regret that our esteemed colleague Senator Roux, who speaks with more authority than most us us on the subject, is not with us today. I hope that he will be able to speak as soon as possible on this inquiry by Senator Corbin.

On motion of Senator Hébert, debate adjourned.

[*English*]

## BUSINESS OF THE SENATE

Leave having been given to revert to Government Notices of Motion:

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday, July 11, at eight o'clock in the evening.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## AGRICULTURE AND FORESTRY

### COMMITTEE AUTHORIZED TO TABLE FINAL REPORT ON FARM SAFETY AND FARM—RELATED HEALTH ISSUES

**Hon. Day Hays**, pursuant to notice of Wednesday, June 21, 1995 moved:

> That, notwithstanding usual practices, if the Senate is not sitting when the Final Report of the Standing Senate Committee on Agriculture and Forestry is completed on its special study on farm safety and farm-related health issues, the Committee shall deposit its Report with the Clerk of the Senate, and said Report shall thereupon be deemed to have been tabled in this Chamber.

Motion agreed to.

## BANKING, TRADE AND COMMERCE

### COMMITTEE AUTHORIZED TO TABLE INTERIM REPORT ON STATE OF CANADIAN FINANCIAL SYSTEM

**Hon. John Sylvain,** pursuant to notice of June 22, 1995, moved:

> That, notwithstanding usual practices, if during the summer adjournment the Senate is not sitting when the interim report of the Standing Senate Committee on Banking, Trade and Commerce on the state of the financial system in Canada, and in particular its review of the 1992 reform legislation is completed, the report may be deposited with the Clerk of the Senate and it shall thereupon be deemed to have been presented to that Chamber.

Motion agreed to.

The Senate adjourned until Tuesday, July 11, 1995, at 8:00 p.m.

# THE SENATE

**Tuesday, July 11, 1995**

The Senate met at 8:00 p.m., the Speaker in the Chair.

Prayers.

## SENATORS' STATEMENTS

### THE LATE DR. GEORGE JOHNSON

TRIBUTES

**Hon. Sharon Carstairs:** Honourable senators, it is with sadness that I rise tonight to pay tribute to George Johnson, who died on Saturday in Gimli, Manitoba, at the age of 74.

George Johnson was a former Lieutenant Governor of Manitoba. He was a provincial cabinet minister for many years, serving as Minister of Health and Welfare and Minister of Education in a Progressive Conservative government.

Dr. Johnson, who was a medical doctor, pioneered welfare reforms in the province of Manitoba. He helped to implement medicare. He was the Minister of Health, and he expanded the use of French in the public schools of that province.

Dr. Johnson's term of office as Lieutenant Governor coincided with the time that I sat in the Manitoba legislature, and I enjoyed the warmth of his hospitality and that of his wife on many occasions. He was essentially a shy man who was not comfortable speaking in public, despite his career in politics. He was always polite, and he conducted himself with great humanness, great spirit, and incredible dignity.

His illness began when he was in office, but despite his failing health, he never shirked his duties. Even at the end when the government delayed the appointment of a successor, he struggled on each and every day.

During his presentation of the Speech from the Throne, he always spoke some words in French. That was achieved with great difficulty, because this other language did not come naturally to him. He used to smile and say later that he always spoke much better when he was in the privacy of his office — or more particularly, in his bathroom. That is an experience with which many of us who learn a second language are familiar.

He was a wonderful representative of the Queen and a very good representative for my province. I extend my deepest sympathy to his wife Doris, with whom he would have celebrated his fiftieth wedding anniversary later this year, his five children — including, of course, our own Senator Janis Johnson — and their families. I share my sorrow with all Manitobans, who will miss this very fine man, and in particular the members of the Icelandic community, of which he was very proud to have been a part.

**Hon. Terry Stratton:** I, too, rise to speak about our beloved former Lieutenant Governor who has just passed away. Senator Carstairs has spoken eloquently of his background with respect to his professional life. Dr. George Johnson was also a great family man who had five children. The strength of a man, or the strength of his family, is usually measured by the success of the children of that family. All of their children have been highly successful; all of their children are very close, and I am sure they will miss their father terribly.

Over the years I have known him, he was always warm and friendly, but shy. He was a very humble man who did a lot for Manitoba over the years. He set a standard that we should all try to emulate of high principle, honour and integrity. That is the true measure of any man, or any woman, in the end. Tonight, I pay tribute to that integrity and to the integrity of his family.

### CONVENTION OF WORLD PARLIAMENTARIANS ON TIBET

SECOND CONFERENCE HELD IN VILNIUS, LITHUANIA

**Hon. Consiglio Di Nino:** Honourable senators, the second Convention of World Parliamentarians on Tibet was held from May 25 to 27, 1995, in Vilnius, Lithuania, a country which only a few years ago became independent after 50 years of occupation. I was one of over 80 parliamentarians from 21 countries who participated.

The conference unanimously supported the efforts of His Holiness the Dalai Lama and the Tibetan government in exile to engage the Chinese government in a meaningful dialogue, without preconditions, to address the issue of Tibet.

The participants passed a number of resolutions, including one to mount a legal challenge through international bodies to China's claim to Tibet, and a resolution to request that China invite a delegation of international parliamentarians to travel to China and Tibet on a fact-finding mission. The delegation would also travel to Dharmsala, India, to meet with the Tibetan Government in exile, and then report its findings to the other nations.

The conference heard about the continuing human rights abuses in Tibet by the Chinese army and the denial of fundamental freedoms of Tibetan men, women and children.

Later this year, I will bring to the attention of the Senate details of the conference and the continued struggle of Tibetans to regain their freedom.

[*Translation*]

## HIS EXCELLENCY DAVID BERGER

FELICITATIONS ON HIS APPOINTMENT AS AMBASSADOR TO ISRAEL

**Hon. Marcel Prud'homme:** Honourable senators, this evening my comments will concern the extraordinary appointment of my former colleague, Mr. David Berger, as ambassador to Israel and to the Government of Cyprus.

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[*English*]

• (2010)

# ROUTINE PROCEEDINGS

## AGRICULTURE AND FORESTRY

INTERIM REPORT ON FARM SAFETY AND FARM-RELATED HEALTH ISSUES TABLED

**Hon. Dan Hays:** Honourable senators, I rise under this order of business to advise honourable senators that on June 30, 1995, the Standing Senate Committee on Agriculture and Forestry tabled with the Clerk of the Senate the ninth report of the Standing Senate Committee on Agriculture and Forestry entitled "Farm Machinery: Lost Lives, Lost Limbs." As provided for in an order of the Senate, copies of the report have been distributed to all senators' offices as of June 30, 1995.

I ask that this matter be placed on the Orders of the Day for consideration at the next sitting of the Senate.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

On motion of Senator Hays, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## GOVERNMENT ORGANIZATION BILL (FEDERAL AGENCIES)

REPORT OF COMMITTEE

**Hon. Lowell Murray**, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Tuesday, July 11, 1995

The Standing Senate Committee on National Finance has the honour to present its

SIXTEENTH REPORT

Your Committee, to which was referred Bill C-65, An Act to reorganize and dissolve certain federal agencies, has, in obedience to the Order of Reference of Tuesday, June 27, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

LOWELL MURRAY, P.C.
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** At the next sitting of the Senate.

**Hon. Eymard G. Corbin:** Honourable senators, perhaps I might be allowed to ask a question of the chair of the committee.

The chairman will recall that I put a question to officials on Bill C-65 respecting a living allocation provided for the Director of the Canada Council as well as a living allocation for the Commissioner of Official Languages in lieu of moving expenses from their regular place of residence to Ottawa. We had a commitment from the official, if not the minister who was also present, that an answer would be forthcoming.

I would not be disposed to proceed with further consideration of this bill unless we have answers to those questions, which were promised to us. I wonder if the chairman has, in the interim, received information to that effect.

**Senator Murray:** Honourable senators, I recall the questions put by my honourable friend to Mr. Massé and his officials. I have not received any documentation from the government since the date of our meeting, but I will be in touch with government officials with a view to obtaining whatever information they committed to provide. I shall do so before the third reading debate takes place.

**The Hon. the Speaker:** Honourable senators, I do not wish to interfere in the proceedings, but I should like to point out that when bills are reported without amendment, they are not subject to debate or questions. Questions should be raised at third reading when the bill is before the Senate for consideration.

On motion of Senator Graham, bill placed on Orders of the Day for third reading at the next sitting of the Senate.

## MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Lowell Murray**, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Tuesday, July 11, 1995

The Standing Senate Committee on National Finance has the honour to present its

SEVENTEENTH REPORT

Your Committee, to which was referred Bill C-85, An Act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision, has, in obedience to the Order of Reference of Tuesday, June 27, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

LOWELL MURRAY, P.C.
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## ROYAL CANADIAN MINT ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Lowell Murray**, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Tuesday, July 11, 1995

The Standing Senate Committee on National Finance has the honour to present its

EIGHTEENTH REPORT

Your Committee, to which was referred Bill C-82, An Act to amend the Royal Canadian Mint Act, has, in obedience to the Order of Reference of Tuesday, June 27, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

LOWELL MURRAY, P.C.
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I move that we consider this bill later this day.

If I may, I wish to add one explanatory note on the volume of the legislation before us.

With respect to those bills on which honourable senators wish to participate in debate, we are prepared to move, with leave, that they be read later this evening save for one particular report. I discussed this with the Deputy Leader of the Opposition, and there seems to be agreement.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

On motion of Senator Graham, with leave of the Senate and notwithstanding rule 58(1)(*b*), bill placed on the Orders of the Day for third reading later this day.

## CANADIAN WHEAT BOARD ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Dan Hays,** Chairman of the Standing Senate Committee on Agriculture and Forestry, presented the following report:

Tuesday, July 11, 1995

The Standing Senate Committee Agriculture and Forestry has the honour to present its

TENTH REPORT

Your Committee, to which was referred Bill C-92, An Act to amend the Canadian Wheat Board Act, has, in obedience to the Order of Reference of Tuesday, June 27, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

DANIEL HAYS,
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Hays, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## CRIMINAL CODE

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Gérald-A. Beaudoin,** Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Tuesday, July 11, 1995

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

THIRTEENTH REPORT

Your Committee, to which was referred Bill C-72, An Act to amend the Criminal Code (self-induced intoxication), has, in obedience to the Order of Reference of Tuesday, June 27, 1995, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

GÉRALD-A. BEAUDOIN,
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

• (2020)

## ELECTORAL BOUNDARIES READJUSTMENT BILL, 1995

REPORT OF COMMITTEE ON MOTION AND MESSAGE FROM HOUSE OF COMMONS PRESENTED

**Hon. Gérald-A. Beaudoin**, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Tuesday, July 11, 1995

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

FOURTEENTH REPORT

Your Committee, to which was referred the motion of the Honourable Senator Graham, dated June 28, 1995, relating to certain amendments to Bill C-69, An Act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries, and the Message from the House of Commons on the same subject, dated June 20, 1995, has, in obedience to the Order of Reference dated June 28, 1995, examined the said motion and Message and now reports as follows:

The Committee heard testimony from the Honourable Herb Gray, Solicitor General and Leader of the Government in the House of Commons, and from Mr. Jean-Pierre Kingsley, Canada's Chief Electoral Officer. The Honourable Herb Gray was accompanied by his Parliamentary Secretary, Peter Milliken, by Mary Dawson, Counsel, and by Professor Beverley Baines of Queen's University.

Mr. Gray said that the *Electoral Boundaries Readjustment Suspension Act* (former Bill C-18) ceased to have effect on June 22, 1995, in accordance with its section 2(2). One purpose of Bill C-69 is to repeal that statute and the *Electoral Boundaries Readjustment Act* (R.S.C. 1985, ch. E-3). Bill C-69 aims at establishing a new procedure for the readjustment of electoral boundaries. It contains no date for coming into force.

Professor Baines stated that the courts do not become involved in the passage of legislation, as confirmed by the decisions in *Native Women's Association of Canada v. Canada* [1994] 3 S.C.R. 627 and *Reference re Canada Assistance Plan* (B.C.) [1991] 2 S.C.R. 525. She corroborated the Minister's statements and expressed the view that Bill C-69 is still on the *Order Paper.* The courts interpret statutes on the basis of their wording.

Jean-Pierre Kingsley, Chief Electoral Officer, underlined potential difficulties should there be an overlap between the current readjustment regime, as set out in the *Electoral Boundaries Readjustment Act*, and Bill C-69, if the bill were to be passed later, in the fall. Because of the wording of Clause 35 of Bill C-69, he did not rule out the possibility of legal proceedings against decisions he may have to make in this regard.

In light of this testimony, the Committee feels that some issues remain obscure, specifically: 1) the legislative process that led to the debate on Bill C-69; 2) the intention of the government expressed in the House of Commons and the Senate in May, June and July of this year; 3) the repeal of earlier statutes by Bill C-69; 4) the nature of the validity of action taken under the previous legislation and the scope of section 43 of the Interpretation Act;, and 5) the possible effect of Bill C-69 on Section 51 of the *Constitution Act, 1867*.

Consequently, the Committee recommends that these issues be examined in depth and that the Committee hold further hearings.

Respectfully submitted,

GÉRALD-A. BEAUDOIN,
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Graham, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## CRIMINAL CODE YOUNG OFFENDERS ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Gérald-A. Beaudoin**, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Tuesday, July 11, 1995

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

FIFTEENTH REPORT

Your Committee, to which was referred Bill C-104, An Act to amend the Criminal Code and the Young Offenders Act (forensic DNA analysis), has, in obedience to the Order of Reference of Tuesday, June 27, 1995, examined the said Bill and now reports the same without amendment, but with one observation.

The Committee is concerned with the question of the right of the person from whom the sample is to be taken to have counsel present when the warrant is executed. The Committee requests that the Government give consideration to this matter in the near future.

Respectfully submitted,

GÉRALD-A. BEAUDOIN,
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill placed on the Orders of the Day for third reading later this day.

## BUSINESS DEVELOPMENT BANK OF CANADA BILL

REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

**Hon. John Sylvain:** Honourable senators, I have the honour to present the twentieth report of the Standing Senate Committee on Banking, Trade and Commerce, which deals with Bill C-91, to continue the Federal Business Development Bank under the name of the Business Development Bank of Canada.

I ask that this report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day, and that it from part of the permanent record of this house.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Sylvain:** Honourable senators, I had some remarks to make on this matter, but I am a little confused about your directives, Your Honour, and what Senator Graham said. Should I make the remarks now or wait until later?

**The Hon. the Speaker:** Honourable senators, according to our rules, remarks on a report should be made on third reading. However, if it is the wish of the Senate that you be heard now, that is up to the Senate to determine.

**Hon. B. Alasdair Graham, Deputy Leader of the Government:** Honourable senators, we are prepared, with agreement and with leave, to proceed later this day on this particular legislation.

**The Hon. the Speaker:** Honourable senators, Senator Graham proposes that leave be granted for later this day. If it is convenient, then you could make your comments at that time, Senator Sylvain.

Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

On motion of Senator Graham, bill placed on the Orders of the Day for third reading later this day.

## OLD AGE SECURITY ACT
## CANADA PENSION PLAN
## CHILDREN'S SPECIAL ALLOWANCES ACT
## UNEMPLOYMENT INSURANCE ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. M. Lorne Bonnell,** Chairman of the Standing Senate Committee on Social Affairs, Science and Technology, presented the following report:

Tuesday, July 11, 1995

The Standing Senate Committee on Social Affairs, Science and Technology has the honour to present its

TENTH REPORT

Your Committee, to which was referred the Bill C-54, An Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, has, in obedience to the Order of Reference of June 27, 1995, examined the said Bill and now reports the same without amendment, but with the following recommendations:

The Committee is concerned that individuals, and especially elderly people, seeking information from the Department of Human Resources Development frequently find the process confusing and difficult. The introduction of new technologies such as automated telephone answering services tends to exacerbate the problem for some people. This new technology should be evaluated to determine how well it meets the needs of elderly people, particularly those who are disabled. The Committee believes that it is important to provide information to clients as effectively as possible.

Your Committee therefore recommends that measures be taken to ensure that the information provided to clients be readily available and easily accessible. It further recommends that periodic evaluations be conducted to assess the effectiveness of information provision services and that changes be made where necessary to rectify problems uncovered by such evaluations. A special effort should be made to ensure that technologies such as automated telephone answering services are as easy to use as possible and that clients who require personalized assistance have prompt access to such assistance.

Respectfully submitted,

M. LORNE BONNELL,
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Bonnell, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## AUTOMATED WEATHER OBSERVATION SYSTEMS

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES—
INTERIM REPORT OF COMMITTEE TABLED

**Hon. Colin Kenny:** Honourable senators, I have the honour to inform the Senate that the Standing Senate Committee on Energy, the Environment and Natural Resources tabled its seventeenth report with the Clerk of the Senate on Wednesday, July 5, 1995, as authorized by the Senate on June 28, 1995.

The interim report, entitled "Pull Up! Pull Up!" deals with the safety implications of automated weather observation systems, otherwise known as AWOS.

A revised version of that interim report was also tabled with the Clerk of the Senate earlier today, July 11, 1995.

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Kenny, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

[*Translation*]

## COMMITTEE OF SELECTION

FIFTH REPORT PRESENTED

**Hon. Jacques Hébert,** Chairman of the Committee of Selection, presented the following report:

Tuesday, July 11, 1995

The Committee of Selection has the honour to present its

FIFTH REPORT

Pursuant to rule 85(1)(*b*) and the order adopted by the Senate on June 28, 1995, your Committee submits herewith the list of Senators nominated by it to serve on the Special Joint Committee on a Code of Conduct:

The Honourable Senators Angus, Bacon, Di Nino, Gauthier, Oliver, Spivak and Stollery.

Respectfully submitted,

JACQUES HÉBERT,
*Chairman*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

**Senator Hébert:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*g*), I move that this report be adopted later this day.

**The Hon. the Speaker:** Is leave granted, honourable senators?

**Some Hon. Senators:** Agreed.

**Hon. Marcel Prud'homme:** Honourable senators, I have no objection, but provided, if this is feasible, one or more senators are able to comment on this report before it is adopted.

**The Hon. the Speaker:** Honourable senators, there will certainly be an opportunity to comment later today, when the report is taken into consideration.

Honourable senators, is it your pleasure to adopt the motion?

Motion agreed to and report placed on the Orders of the Day for consideration later this day.

[*English*]

• (2030)

## ADJOURNMENT

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, July 12, 1995 at 1:30 o'clock in the afternoon.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

# QUESTION PERIOD

## CANADA POST CORPORATION

### LEASE OF PREMISES IN SYDNEY, NOVA SCOTIA— INTERVENTION OF MINISTER OF PUBLIC WORKS

**Hon. J. Michael Forrestall:** Honourable senators, my question is for the Leader of the Government. Some of us — even Nova Scotians, accustomed as we are to certain practices — are being left somewhat in awe at the speed with which Minister Dingwall seems to be getting around these days. Dealing with roads was obviously not enough for him, so now he has involved himself with the Canada Post Corporation.

Honourable senators, Minister Dingwall is, apparently, involved in a plan to scrap a lease which was signed with a Sydney business person last December for a new post office in Sydney, and to enter into a new lease with an individual who, to my knowledge, would be of somewhat better liking to Mr. Dingwall and Mr. Dingwall's party.

Given the continuing game of patronage pinball, can the leader give us some insight as to what justification her colleague may have given to cabinet colleagues for such a blatant political intervention and manipulation of otherwise arms-length contracts?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, Senator Forrestall may be aware that the chief executive officer of Canada Post Corporation has released a statement to the media on the situation in Sydney. He was asked by the minister to review the situation. He did so and came to the conclusion that proper consultation had not taken place in the initial contract to which my friend refers.

Canada Post Corporation is in the process of negotiating a different arrangement. Also, the minister himself has asked for a third-party review of this whole incident. A review will be carried out by Price Waterhouse of the circumstances surrounding the signing of the original lease. The results are expected by next week.

**Senator Forrestall:** I have no difficulty with Price Waterhouse being assigned to this task, but I do have difficulty understanding these practices.

How long must we wait for this report? Will it be presented during the next few weeks when the Senate and the House of Commons are not sitting?

We recognize the discrepancy in the amounts paid by Canada Post for space, the lease for which was cancelled. Can the leader supply to us similar quotations respecting the new space in the building?

Would she also determine whether the new price, which I hear is somewhat lower, includes the cost of certain work to turn what used to be an IGA grocery store into a functional post office? Who will pay those costs?

**Senator Fairbairn:** I would be pleased to seek that detailed information. I should also say to Senator Forrestall that, as far as I am aware, the Price Waterhouse review should be done by next Monday.

**Senator Forrestall:** This is rather short notice, but could the leader make available to us by tomorrow the terms of reference of that review?

**Senator Fairbairn:** I will make no promises, honourable senators. I will do my best.

## HUMAN RIGHTS

ARREST OF ACTIVIST IN CHINA—GOVERNMENT POSITION

**Hon. Noël A. Kinsella:** Honourable senators, over the past few months we have been advised of the government's new approach to expressing our concerns for human rights in various countries through a process of quiet diplomacy.

My question to the Leader of the Government in the Senate is: Does the Government of Canada, using this new system, have any concern over the arrest in China of Harry Wu, a well-known human rights activist? If so, has it expressed that concern?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will seek information on that matter.

## CANADA POST CORPORATION

EXTENSION OF CONTRACT ON LEASES—REQUEST FOR INFORMATION ON MEMBERS OF CONSORTIUM

**Hon. Gerald J. Comeau:** Honourable senators, I have just learned that the Minister of Public Works has apparently intervened in another issue related to the Canada Post Corporation. Sources tell me that the minister has instructed the properties and leases division of Canada Post Corporation, to extend the contract of the consortium which handles the properties from three to seven years, and that this will increase the contract price from $150 million to $350 million.

Would the leader provide us with the identity of the newest member of the consortium and his ties to the Minister of Public Works?

**Hon. Joyce Fairbairn (Leader of the Government):** I will take my friend's question as notice and try to obtain that information.

**Senator Comeau:** While she is attempting to find that information, would the leader also look into the allegation that the fourth member will receive 7 per cent of the contract which has now been increased to $350 million?

**Senator Fairbairn:** I will make enquiries in that regard.

• (2040)

## FOREIGN AFFAIRS

REQUEST FOR NEWLY APPOINTED AMBASSADOR TO ISRAEL AND CYPRUS TO APPEAR BEFORE COMMITTEE

**Hon. Marcel Prud'homme:** Honourable senators, my question is addressed to the very able Chairman of our Foreign Affairs Committee, Senator John B. Stewart.

I have reserved comment tonight on the appointment of an ex-colleague of ours from the House of Commons as ambassador to Israel. As the honourable senator knows, from time to time, the House of Commons can call before one of its committees any appointee. Would it not be advisable to call the new ambassador as a witness before the Foreign Affairs Committee in order to entertain an interesting exchange with him as to his views on the Middle East in general and, in particular, the very sensitive area to which he has been appointed? The ambassador to Israel is also ambassador to Cyprus, something which seems to have gone unnoticed by the press.

Would the Honourable Senator Stewart consider the possibility of calling him as a witness so that we can talk to him about his views and see if his views have changed over the years? In this way we can find out how he intends to fulfil his very difficult assignment for Canada.

**Hon. John B. Stewart:** Honourable senators, the Foreign Affairs Committee has two references from the Senate before it. One relates to trade, particularly in the Western Hemisphere. The other relates to Canada's relations with European countries. Without making a detailed analysis of the reference, at first glance it would appear that the committee is not under instruction from the Senate to take up the matter to which the honourable senator has referred.

**Senator Prud'homme:** Honourable senators, we know that Israel is not considered to be part of Europe, even though the world may develop that way some day. We now hear that they would like to be an associate member of NATO. However, Cyprus has made strong representations to be admitted to the concept of the European nations. Perhaps by using that request as an angle we could call the new ambassador to Israel before the committee.

**Senator Stewart:** Honourable senators, I am really repeating my answer. Insofar as I can recall the words of the reference from the Senate that is now before the committee, it would require an extraordinarily wide interpretation to permit the committee to undertake the kind of work to which the honourable senator makes reference. However, I shall turn up the reference and pass it on to the Honourable Senator Prud'homme so that he can see if, by a most ingenious interpretation, he can justify the committee undertaking such a task.

**Senator Prud'homme:** I may have some consultations with a former Minister of Foreign Affairs who is a member of the Senate. He was a great master of finding solutions of that kind. He is very knowledgeable of the region and has been consulted in the past as to Canada's relationship with the Middle East. Perhaps if we put our brains together, we may find an angle.

We know that St. Paul was converted on the road to Damascus. I will not give up the possibility of learning from our new ambassador firsthand what is going on in the Middle East. Perhaps he will become an extraordinarily good ambassador to the two groups of people who share that land.

## NATIONAL FINANCE

### BANK OF CANADA—PAY INCREASES TO OFFICIALS

**Hon. Jean-Maurice Simard:** Honourable senators, my question is addressed to the Leader of the Government in the Senate. Canadians discovered recently that at least four Deputy Governors of the Bank of Canada, and one who retired last year, had been granted substantial increases in salary. On average, those increases amounted to approximately $12,000 a year for each one.

At the time, the Minister of Finance declared himself very surprised that such increases had been granted. We heard on TV that night that he rushed to call the Governor of the Bank of Canada, insisting that the increases be rolled back. Obviously, that was done.

Being a cabinet minister, can the Leader of the Government in the Senate tell us if the suspension of these pay increases was made retroactively?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I cannot answer that question. I will endeavour to get an answer for my honourable friend. As he has noted, the increases were very quickly withdrawn by the governor of the bank and the board.

**Senator Simard:** Will the Leader of the Government also confirm that the Privy Council Office directed an increase for the governor himself in 1993 or 1994? Surely, that should not have surprised Mr. Martin. I am sure that Senator Fairbairn was there when cabinet approved the increase. Why are things so good for the governor, whose salary has tripled in the last decade? His salary range now goes up to $269,000. Why did the government not say no to this increase? Why did the government approve it?

**Senator Fairbairn:** Honourable senators, I am sure my friend would not wish me to discuss anything that might go on in the confines of cabinet.

In the case of the Governor of the Bank of Canada, the process for his remuneration is different from the process utilized for the deputy governors to whom my friend referred earlier. Their situation was dealt with by the board of the bank. I will try to find out a bit more detail for my friend on the governor.

**Senator Simard:** Honourable senators, my point is this: When the public became aware of this situation, it was almost as if there was a crisis. The government found itself in an awful position, having asked Canadians to live with no increases for the last decade. Yet, it granted to the governor a 10 per cent increase in the previous year. Why did the government not ensure that all increases were rolled back?

We know that the Senior Deputy Minister of Finance was at that meeting when the board of governors decided to grant themselves these increases. Surely, Mr. Martin must be on speaking terms with his deputy minister. If not, he should be fired. If the deputy minister keeps such information from his minister, I suggest he should be fired. What does the leader think of my suggestion?

• (2050)

Why does Mr. Martin not level with people and tell the truth? If he is unable to tell the whole truth on this dossier, I am sure that the Leader of the Government in the Senate will do so once and for all.

**Senator Fairbairn:** I can assure my honourable friend that to the best of my ability I always try to tell the truth, especially in answering questions from him, and that I always find his observations extremely interesting, although I do not always agree with them.

**Senator MacEachen:** Speak for yourself.

**Senator Fairbairn:** In response to the question regarding Mr. Martin, he did make it clear at the time that he was not aware of the increases. I will, as always, ensure that my honourable friend's questions and observations are directed to the colleagues to whom he would like them to be directed.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, I have a number of delayed answers. I have a response to a question raised in the Senate on March 21, 1994, by the Honourable Senator John Lynch-Staunton regarding the International Space Station Program: status of Canada's commitment. I have a response to a question raised in the Senate on March 2, 1995, by the Honourable Senator Pat Carney regarding the automation of weather stations. I have a response to a question raised in the Senate on March 22, 1995, by the Honourable Senator Duncan J. Jessiman regarding the disbandment of the Canadian Airborne Regiment. I have a response to a question raised in the Senate on March 22, 1995, by the Honourable Senator A. Raynell Andreychuk regarding an inquiry into the activities of the Canadian Airborne Regiment. I have a response to a question raised in the Senate on May 23, 1995, by the Honourable Gerald J. Comeau regarding the Federal-Provincial Strategic Highway Improvement Program. I have a response to a question raised in the Senate on May 24, 1995, by the Honourable Senator Jean-Claude Rivest regarding gun control. I have a response to a question raised in the Senate on May 24, 1995, by the Honourable Senator Lowell Murray regarding gun control legislation. I have a response to a question raised in the Senate on May 24, 1995, by the Honourable Senator Ron Ghitter regarding gun control. I have a response to a question raised in the Senate on May 24, 1995, by the Honourable Senator Gerry St. Germain regarding gun control. I have a response to a question raised in the Senate on May 25, 1995, by the Honourable Senator Lowell Murray regarding federal-provincial agreements currently in force. I have a response to a question raised in the Senate on May 25, 1995, by the Honourable Senator David Tkachuk regarding the Federal-Provincial Strategic Highway Improvement Program. I have a response to a question raised in the Senate on May 25, 1995, by the Honourable Senator Ethel Cochrane regarding the decline in university applications. I have a response to a question raised in the Senate on June 5, 1995, by the Honourable Senator John Buchanan regarding the Federal-Provincial Strategic Highway Improvement Program. I have a response to a question raised in the Senate on June 5, 1995, by the Honourable Senator Pierre Claude Nolin regarding NATO, respect of human rights as a condition of continuing membership. I have a response to a question raised in the Senate on June 6, 1995, by the Honourable Senator Richard J. Doyle regarding the refusal of airlines to negotiate discounts with the Government of Canada. I have a response to a question raised in the Senate on June 7, 1995, by the Honourable Senator Fernand Roberge regarding the effect of the enforcement provision of agreement on internal trade implementation bill on interprovincial trade. I have a response to a question raised in the Senate on June 21, 1995, by the Honourable Senator Gerald Comeau regarding proposed toll booths in Nova Scotia. I have a response to a question raised in the Senate on June 27, 1995, by the Honourable Senator Forrestall regarding the Federal-Provincial Strategic Highway Improvement Program.

## THE BUDGET

### INTERNATIONAL SPACE STATION PROGRAM— STATUS OF CANADA'S COMMITMENT—GOVERNMENT POSITION— REQUEST FOR CLARIFICATION

*(Response to question raised by Hon. John Lynch-Staunton on March 21, 1994)*

The Government cannot shed any light on how President Clinton was personally informed of our intention to negotiate an orderly reduction in our involvement in the Space Station or when the President was made aware.

In the lead-up to the 1994 Budget there had been media speculation that Canada might withdraw from the Space Station project. The Minister of Finance made it clear that everything was on the table for consideration in the Government's endeavours to reduce the deficit. Following the United States redesign, which increased Canadian costs, there had been ongoing negotiations with the U.S. on Canada's role in the Space Station and an expectation that these discussions would continue after the Budget.

As acknowledged in the Government's answer to the Senate on March 17, 1994, discussions with the U.S. prior to the Budget addressed the issue of how to best achieve substantial savings in the Space Station Program while retaining a beneficial role for Canada.

U.S. officials met with Canadian officials in Washington on Monday, February 21, the day before the Budget. At this meeting, and in all earlier meetings, Canadian officials carefully observed the Department of Finance's advice on Budget-related negotiations. U.S. officials were not shown the Budget speech relating to the Space Station, dollar figures, or any other Budget-related material not in the public domain. Canadian officials did indicate the Government's intention to contain the costs related to Canada's participation in the Space Station. Those discussions were essential to ensure that Canada secured an appropriate role in the Space Station.

Press reports had raised U.S. concerns that the Budget might contain references to a Canadian withdrawal from the Space Station Program. Hence, the Government felt that the word "withdrawal" (which had already been included in the printed version of the Budget Speech) and even though qualified by the word "orderly," could be misinterpreted in the context of the international agreements relating to the Space Station. On this basis, it was decided to avoid any possible misunderstanding of Canada's position and to use the word "reduction" in the Minister of Finance's actual speech in the House.

The Government remains committed to the Space Station Program. The current Long Term Space Plan maps out the Government's strategy for the next 10 years, and will help ensure that this sector becomes an enabling instrument for Canada's transition to a knowledge-based economy.

Note: the expression "withdrawal from current commitments" was translated in the French version of the printed Budget Speech by the one word "désengagement."

## THE ENVIRONMENT

AUTOMATION OF WEATHER STATIONS—
RELIABILITY OF TECHNOLOGY—GOVERNMENT POSITION

*(Response to question raised by Hon. Pat Carney on March 2, 1995)*

Recent budget cuts at Environment Canada call for elimination of all human weather observations by April 1997. EC is proceeding with planned closures of local weather stations while continuing to respect the moratorium on commissioning of new aviation-related Automated Weather Observation Stations (AWOS) by installing new AWOS Systems only where they will have no impact on aviation requirements.

Transport Canada Aviation and Environment Canada have embarked on an action plan, in cooperation with the users, to correct AWOS deficiencies and to demonstrate its satisfactory performance such that it will meet aircraft operations/efficiency requirements and aviation user expectations at Canadian airports by July 1996. Notwithstanding the acknowledged deficiencies related to aviation purposes, the AWOS meets the requirements for public weather information and provides the essential elements to conduct an aircraft instrument approach (windspeed and altimeter setting). Similarly, the integrity of aerodrome forecasts is not affected by current AWOS observation deficiencies since a variety of data sources are used in the production of forecasts.

Transport Canada is committed to providing a safe operating environment for aviation users and is confident that current efforts will yield an AWOS that will satisfactorily meet all aviation needs.

## NATIONAL DEFENCE

CANADIAN AIRBORNE REGIMENT—
REASONS FOR DISBANDMENT

*(Response to question raised by Hon. Duncan J. Jessiman on March 22, 1995)*

Following the regrettable events which took place in Somalia in 1993 involving some members of the Canadian Airborne Regiment, the Chief of the Defence Staff and the Commander of Land Forces, in June 1994, made a recommendation to the Minister of National Defence with respect to the future of the Canadian Airborne Regiment. The Minister was reluctant to make a decision concerning the Regiment's future until a public inquiry, subsequently announced by the Minister in the fall of 1994, had reported on the events surrounding the Regiment's deployment in Somalia.

However, once the Minister learned of further disturbing incidents involving members of the Regiment — one in Rwanda in the fall of 1994 and two which were filmed on video, the first in Somalia during the Regiment's tour of duty in 1993 and the second in Petawawa in 1994 showing a hazing ritual in which members of the Regiment engaged in racist, violent, and degrading acts — he became concerned that the conduct of some members of the Regiment might have denigrated the reputation of all members, past and present, of the Canadian forces. While measures were taken to address individual issues, the Minister came to the conclusion that the problems of the Regiment were systemic. The cumulative effect on the public's confidence in the Regiment demanded that the Government act quickly to restore the reputation of the Forces.

Therefore, on January 23, 1995, the Minister of National Defence announced the disbandment of the Canadian Airborne Regiment and the reassignment of its members to their home units.

It must be added that many changes in personnel and procedures had been made during the period following the events in Somalia and that serving members of the Airborne Regiment were, by and large, dedicated professionals who had performed their duties with honour and distinction.

The disturbing incidents subsequent to the events in Somalia led the Minister to conclude that the problems of the Airborne Regiment were systemic and must not be permitted to denigrate the reputation of the Canadian Forces. The Minister of National Defence consulted with the Prime Minister and the Minister subsequently announced the Government's decision to disband the Regiment.

INQUIRY INTO THE ACTIVITIES OF CANADIAN AIRBORNE REGIMENT—GOVERNMENT POSITION

*(Response to question raised by Hon. A. Raynell Andreychuk on March 22, 1995)*

1. The Government must ensure that the Canadian Forces are not only operationally effective, but also that they are respected at home and abroad. The conduct of some members of the Airborne Regiment over the past few years brought that trust into question and might have denigrated the reputation of all members of the Canadian Forces. The Government could not allow the proud heritage of the Canadian Forces to be jeopardized.

An internal military board of inquiry heard many witnesses and gathered much evidence on the state of discipline and general readiness of the Airborne Regiment immediately prior to and during its deployment to Somalia. That evidence, some 12 volumes, has been made available to the Commission of Inquiry, as have the proceedings of all the courts martial which are in the public domain, and the results of military police investigations relating to the incidents which occurred in Somalia.

After the Chief of Defence Staff and the commander of the land forces made a recommendation on the future of the Canadian Airborne Regiment, the government made the judgement that the damage to the reputation of the Airborne Regiment was so great as to be irreparable. The Minister of National Defence, reluctantly, announced the decision to disband the regiment for the reasons stated above. The decision was not taken lightly or without due consideration. The problems were deemed to be systemic and the situation demanded action: the Regiment had to be disbanded.

2. The Canadian Forces have distinguished themselves both in war and in peace as well as in peacekeeping activities and continue to do so. Canadians are justifiably proud of our Armed Forces and they must continue to have confidence in our military so that it may represent us at home and abroad.

While the negative aspects of recent events cannot be minimized, it would be unfair to ignore the achievements of the Regiment. It is recognized that many changes in personnel and procedures in the Airborne had been made over the past year. The Minister recognized that the people serving in the Airborne regiment were by and large dedicated professionals. It is also recognized that the Airborne has, in the past, served Canada with distinction. However, the Minister is concerned that the conduct of some members of the Airborne Regiment over the past few years might have denigrated the reputation of all members of the Canadian Forces.

3. The 1994 Defence White Paper recognized the continuing need for an airborne capability within the Canadian Forces to support the United Nations and to respond to emerging situations anywhere in our territory. On 12 April 1995, the Chief of the Defence Staff and the Commander of Land Force Command announced that the army's parachute capability will, in the future, be provided by three separate infantry companies spread across the country that will consist of the Princess Patricia's Canadian Light Infantry company in Edmonton, a Royal Canadian Regiment company in Petawawa, and a Royal 22nd Regiment company in Valcartier. The troops for these units will come from the former Airborne and the 3000 additional combat troops provided by the White Paper.

The plans for expansion from company to battalion level will be finalized after the Defence Minister's Commission on the Reserve Force tables its report in December of this year. The new parachute companies will be formed in their new locations as soon as possible and no later than September of this year.

## TRANSPORT

FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA AGREEMENT—RETURN OF FUNDS TO DEATH VALLEY HIGHWAY PROJECT—GOVERNMENT POSITION

*(Response to question raised by Hon. Gerald J. Comeau on May 23, 1995)*

Highways are a provincial responsibility. The priorities are established by the province and almost every province has sought and obtained amendments to its highway agreements.

## JUSTICE

GUN CONTROL LEGISLATION—AVOWAL BY THE PROVINCES NOT TO FINANCE REGISTRATION—GOVERNMENT POSITION

*(Response to question raised by Hon. Jean-Claude Rivest on May 24, 1995)*

The Minister of Justice tabled the "Financial Framework for Bill C-68" document with Parliamentary Committee on April 24, 1995 which details the cost and revenue estimates to support the development and the implementation of the firearms legislation.

In a recent letter to his provincial colleagues responsible for the administration of the Firearms Control Program, the Minister of Justice reaffirmed the federal government's commitment to the provinces to cover the cost of the design, development and implementation of the Canadian Firearms Registration System.

The federal government is also committed to the principle of cost recovery with respect to the Firearms Control Program. The continuing administrative costs of the registration system will be funded from the revenues of the fees for the firearms licences, registration certificates and authorization permits.

The fees will be modest but sufficient to defray the operating costs of the firearms legislation. The actual fee levels will be set by regulation and subject to Parliament's review.

The administrative costs actually incurred by provinces with respect to processing firearms licences, registration certificates and authorization permits, as well as the operation of the Canadian Firearms Registration System will be recovered through the Federal-Provincial/Territorial Firearms Financial Agreements. The authority is set in legislation (section 93 of the *Firearms Act*, Bill C-68).

Every effort is being made in designing the registration system to achieve easy accessibility to the public and cost efficiency. Federal officials will work with provincial counterparts in arriving at the final design, and with the provinces and territories full participation in this cooperative process following the legislation being enacted.

GUN CONTROL LEGISLATION—CONSULTATION WITH PROVINCES PRIOR TO INTRODUCTION OF LEGISLATION—GOVERNMENT POSITION

*(Response to question raised by Hon. Lowell Murray on May 24, 1995)*

The consultation process was indeed widespread and significant. The Minister of Justice met with many firearms owners and users, and other interest groups, including health care and women groups, and police throughout Canada. These direct consultations by the Minister took place in every jurisdiction of the country. The government is currently engaged in formal consultations with aboriginal people on how to best implement the new law.

The Minister of Justice launched his proposals to develop firearms control legislation with his provincial and territorial colleagues at their annual meeting in Victoria, in January 1995.

Ongoing meetings between the Chief Provincial and Territorial Firearms Officers with the Firearms Control Task Group, Department of Justice, on the administration and general policy proposals of the Minister of Justice began in March 1994 and continued up to the Action Plan tabling in the House of Commons. The registration system was a focus of these meetings.

Gun control legislation issues were also agenda items of meetings of Assistant Deputy Ministers and, separately, of the Deputy Ministers. Further to these consultations, there have been exchanges of written communication on this subject between the Minister of Justice and the provincial and territorial Ministers.

Since 1978, federal-provincial agreements with the provinces compensate for actual administrative costs of the firearms control provisions. These agreements must be considered an important commitment to the consultative process.

The Minister of Justice conveyed to Parliament the federal commitment to cover the provinces' actual cost of administering the firearms control program and has conveyed those assurances to the provinces in writing.

GUN CONTROL LEGISLATION—FINANCIAL SELF-SUFFICIENCY OF REGISTRATION PROGRAM—GOVERNMENT POSITION

*(Response to question raised by Hon. Ron Ghitter on May 24, 1995)*

The Minister of Justice reaffirmed to his provincial colleagues that the federal government is committed to the principle of cost recovery with respect to Firearms Control Program.

The "Financial Framework for Bill C-68" document tabled with Parliamentary Committee on April 24, 1995 details the cost and revenue estimates to support the development and implementation of the firearms legislation.

The continuing administrative costs of the registration system will be funded by revenues paid from fees for firearms licences, registration certificates and authorization permits.

The fees will be modest but sufficient to defray continuing costs to the provinces and police service involved in the administration of the Firearms Control Program. The actual fee levels will be set by regulations that will be subject to Parliament's review.

The federal government will fund the costs for the design, development and implementation of the Canadian Firearms Registration System.

The administrative costs actually incurred by provinces with respect to firearms licences, registration certificates, authorization permits and the operation of the Canadian Firearms Registration System will be recovered through the Federal-Provincial/Territorial Firearms Financial Agreements.

GUN CONTROL LEGISLATION—COMMENTS OF PRIME MINISTER ON PROVINCIAL RESPONSIBILITY—REQUEST FOR CLARIFICATION

*(Response to question raised by Hon. Gerry St. Germain on May 24, 1995)*

The initial media reports seemed to interpret the Prime Minister's comments in Québec City on May 21, 1995 about the constitutional division of responsibilities for the criminal justice system as an assertion that the provinces alone would pay to administer the firearms registration system. That interpretation is incorrect. The Prime Minister did not make any reference to the costs of administering the program as he pointed out in a subsequent press conference.

In a recent letter to his provincial colleagues responsible for the administration of the Firearms Control Program, the Minister of Justice reaffirmed the federal government's commitment to the provinces to cover the cost of the design, development, and implementation of the Canadian Firearms Registration System.

The federal government is also committed to the principle of cost recovery with respect to the Firearms Control Program. The continuing administrative costs of the registration system will be funded from the revenues of the fees for the firearms licences, registration certificates and authorization permits.

The fees will be modest but sufficient to defray the operating costs of the firearms legislation. The actual fee levels will be set by regulation and subject to Parliament's review.

The administrative costs actually incurred by provinces with respect to processing firearms licences, registration certificates and authorization permits, as well as the operation of the Canadian Firearms Registration System will be recovered through the Federal-Provincial/Territorial Firearms Financial Agreements. The authority is set in legislation (section 93 of the *Firearms Act*, Bill C-68).

Every effort is being made in designing the registration system to achieve easy accessibility to the public and cost efficiency. Following the enactment of the legislation, federal officials will work with provincial counterparts to arrive at the final design: the provinces and territories will participate fully in this cooperative process.

The Minister of Justice tabled the "Financial Framework for Bill C-68" document with the Standing Committee on Justice and Legal Affairs of the House of Commons on April 24, 1995 which details the cost and revenue estimates to support the development and the implementation of the firearms legislation.

## TRANSPORT

### TRANS-CANADA HIGHWAY—FEDERAL PROVINCIAL AGREEMENTS CURRENTLY IN FORCE—REQUEST FOR PARTICULARS

*(Response to question raised by Hon. Lowell Murray on May 25, 1995)*

There are no agreements extant concerning standards for conduct of provincial jurisdiction on provincial highways which include those portions of highways designated as the "Trans–Canada Highway." Each province has sole jurisdiction over highways within its boundaries with the exceptions of those highways or portions of highways through national parks which come under federal jurisdiction. There are no federal restrictions on provinces with respect to their jurisdiction over their highways, which includes charging of tolls on the highways under their jurisdiction, whether on the Trans–Canada Highway or not. The federal government has separate funding agreements with each province concerning highway funding: in some cases there are two or three separate agreements concerning funding, eg. Highway Improvement Program(s), Strategic Highway Improvements Program(s), Economic Regional Development Agreement(s), etc. While some highway agreements contain projects which concern portions of the Trans–Canada highway, others do not. The provincial governments are responsible for proposing the projects they wish funded. The size, scope, routing, tendering, timing, and all other details of each individual project is managed by the province. A project is generally a manageable chunk of highway. It does not necessarily address all or even the majority of the wishes for improvements, changes, enhancements, or other work for any given highway. Several projects within any given agreement may, and again may not, include work on portions, projects, or by-passes to the Trans–Canada Highway in a given section of a province.

## TRANS-CANADA HIGHWAY

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—POLICY ON DIVERSION OF FUNDS TO UNDESIGNATED PROJECTS—REQUEST FOR PARTICULARS

*(Response to question raised by Hon. David Tkachuk on May 25, 1995)*

There is no new procedure here. Since the early Seventies at least, federal and provincial governments have reached agreements on funding for highways and have amended them. Provincial governments and, indeed, the former federal government are well aware that amendments can and are made. There have been amendments made to virtually every highway agreement made in the last twenty years. These include those agreements entered into and altered by the previous administration.

For instance, in February 1990, $5 million was reallocated from Highway 101 between St. Bernard and Meteghan River and from the Digby Interchange of Highway 101 to fund the New Glasgow by-pass on Highway 104 and Highway 101 between Bridgetown and Annapolis Royal. On October 12, 1993, the Truro and Kempton by-pass on Highway 104 was reduced by $3.6 million and the money went to the stretch of Highway 104 from the New Brunswick border to the Amherst Viaduct. In November 1994, 2 projects were cancelled in Manitoba, in the amount of $ 5.6 million, and reallocated to new projects like grading and constructing a 4–lane connection from Provincial Trunk Highway (PTH) 59 to PTH 15 as well as towards a CPR overpass and a new alignment of PTH 16 at Newdale.

## POST-SECONDARY EDUCATION

### EFFECT OF CUTS TO SOCIAL TRANSFER PAYMENTS ON UNIVERSITY ENROLMENT

*(Response to question raised by Hon. Ethel Cochrane on May 25, 1995)*

Provincial jurisdiction, together with the fact that federal transfers to provinces for post–secondary education are unconditional, means there is no direct connection between federal transfers and provincially-set tuition. One consequence of this is that the federal government cannot accurately forecast future levels of tuition fees or make predictions about changes in post-secondary enrolment as a result of the new transfer arrangements.

While the federal government does not directly influence the level of tuition fees, it does, however, play a major role in helping students cope with costs and in facilitating access to post-secondary education. In 1994, Parliament approved the Canada Student Financial Assistance Act. This Act has already allowed significant reforms to the Canada Student Loans Program that include an increase in loan limits for full-time students from $105/week to $165/week, the introduction of a new approach to need assessment to target more aid to those who need it most, the introduction of a 60% aid-sharing approach with provincial and territorial governments, and pilot projects with four provinces to provide grants for students with permanent disabilities.

This year, approximately 130,000 students will benefit from some $200 million in additional aid.

The Minister of Human Resources Development will also be working with the provinces to develop appropriate principles and objectives to guide the Canada Health and Social Transfer and to continue federal-provincial cooperation in the areas it covers which include post-secondary education support. The department will also continue to work with provincial authorities as well as stakeholders to further improve the Canada Student Loans Program as circumstances evolve.

The federal government recognizes the importance of post-secondary education to our economic and social development and remains committed to supporting the national effort to help all Canadians acquire the knowledge and skills to compete in the world.

## TRANSPORT

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—RESTORATION OF FUNDING TO DESIGNATED PROJECT—REQUEST FOR UPDATE

*(Response to question raised by Hon. John Buchanan on June 5, 1995)*

Nova Scotia, which has jurisdiction over highways, has pursued the objective of providing a four-lane divided standard on the Trans-Canada Highway in the province since the 1970s. The federal government, in striving to meet its objective of providing a safe and efficient national transportation system, has provided financial assistance over the years as funding has become available.

The original Canada-Nova Scotia Highway Improvement Agreement was signed on July 20,1987. The agreement was for a four-year, $100–million program, to be cost-shared on a 50-50 basis. Some $26 million of the program was allocated to two projects on Highway 104; $17 million to the New Glasgow By-Pass and the balance to improving the segment from the New Brunswick border to Oxford.

The original agreement was amended in August 1991 to extend the term of the agreement by two years and to add $3.0 million for the Millbrook Interchange on Highway 102. Included in the August 1991 amendment was a change to the allocation for the Highway 104 project to $19.4 million for New Glasgow and $10 million for the segment to Oxford. Spending on Highway 104 was extended to the end of the amended agreement, i.e., March 1993, and now totalled $29.4 million.

In February 1992, the agreement was amended a second time to add funding for additional projects on Highway 104. The term of the agreement was extended to March 1994 and $34 million was added to cover various work related to four-laning five separate segments of the highway from the New Brunswick border to the Kemptown by-Pass; at Amherst; between Nappa River and Thomson Road; at Mont William Road; Salt Springs to Kemptown; and between the Highway 102 junction at Kemptown. Under this amendment, planned spending on Highway 104 totalled $63.4 million. None of the new projects could have been completed solely with the funding provided under the agreements, i.e. without additional provincial funds above the cost-shared portion.

In June 1993, the agreement was amended for the third time; $60 million was added to the value of the agreement, bringing the total to $197 million and the term was extended to March 1997. The allocation for Highway 104 improvements went from $63.4 million to $123.4 million to complete the projects initiated in earlier amendments. Subsequent administrative changes have brought the total to $123.7 million.

On April 1, 1993, Nova Scotia and Canada entered into the Strategic Highway Improvement Program agreement. The agreement was for a $140 million, 50-50 cost-shared program covering the period to March 1997. Of this amount, $118.8 million was allocated to additional projects on Highway 104, including $55 million to start the construction of the Wentworth Valley by-pass between Thomson Road and Masstown. This was the first time that the Wentworth Valley segment was included in a federal-provincial agreement.

None of the highway funding agreements entered into since 1987 have made reference to the finalization of any specific project. Instead, the agreements have, in several cases, provided only enough funding to get a project underway and it has always been mutually understood that the province has the responsibility to determine when a project will be completed and how completion will be financed.

## NORTH ATLANTIC TREATY ORGANIZATION

RESPECT OF HUMAN RIGHTS AS CONDITION OF CONTINUING MEMBERSHIP—GOVERNMENT POSITION

*(Response to question raised by Hon. Pierre Claude Nolin on June 5, 1995)*

NATO is a community of common values and principles. Indeed, the Washington treaty describes its members as "determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law."

Any country invited to join the Alliance should share these values. A democratic system based on the rule of law, the civilian control of the armed forces, and respect for human rights, including respect for minority rights, would constitute, in the eyes of NATO, members' pre-conditions to accession to the Alliance. Canada, like other members, recognizes the great importance of the respect of human rights.

Regarding the situation in Turkey, Canada undertook several steps concerning the situation of human rights in that country. The Minister of Foreign Affairs, Mr. André Ouellet, raised this question during his meeting with his Turkish counterpart last May. Canadian representatives have raised this issue with Turkish authorities on every appropriate occasion. The Canadian Embassy in Ankara is in regular contact with Turkish organizations active in the promotion of human rights. On each occasion, Canada underlined its great concern regarding the human rights situation in Turkey. Canada believes that it is important to pursue a dialogue with Turkish authorities in order to set them on track towards reform in this area.

## GOVERNMENT SERVICES

REFUSAL OF AIRLINES TO NEGOTIATE DISCOUNTS WITH GOVERNMENT OF CANADA

*(Response to question raised by Hon. Senator Richard J. Doyle on June 6, 1995)*

The Director of Investigation and Research is responsible for the administration and the enforcement of the Competition Act, and he examines all matters brought to his attention to determine if they Mise issues under the Act. According to available information, the Director is examining this matter.

If the facts reveal the existence of activities contrary to the provisions of the Act, the Director will take the appropriate action.

In October 1994, the House Standing Committee on Procedure and House Affairs formed the Subcommittee on Members Travel. Air Canada and Canadian Airlines appeared before the Subcommittee and the Subcommittee filed its report with the Standing Committee last March. The question is whether by refusing to offer discounts to Members of Parliament, the two Airlines may be contravening the Competition Act. The Director is aware of the situation and is reviewing it in relation to the provisions of the Act.

## FEDERAL-PROVINCIAL RELATIONS

EFFECT OF ENFORCEMENT PROVISIONS OF AGREEMENT ON INTERNAL TRADE IMPLEMENTATION BILL ON INTERPROVINCIAL TRADE—GOVERNMENT POSITION

*(Response to question raised by Hon. Senator Fernand Roberge on June 7, 1995)*

Amendments to Bill C-88 to clarify the intent of the legislation will be introduced at the appropriate time.

Minister Manley consulted with the Honourable James Downey of Manitoba, the provincial Committee of Ministers on Internal Trade co-chairman, who suggested it might be helpful to review the wording of Section 9, to address the issue of possible ambiguity, so as to ensure that the legal language mirrors the provisions of the agreement.

Only Quebec has formally communicated to the government specific concerns about Bill C-88.

Alberta officials have expressed strong support for Bill C-88, while seeking some clarification.

British Columbia and Saskatchewan officials have voiced general concerns, but have not followed up with any specifics.

## TRANSPORT

### TRANS-CANADA HIGHWAY—PROPOSED TOLL BOOTHS IN NOVA SCOTIA—GOVERNMENT POSITION

*(Response to question raised by Hon. Gerald Comeau on June 21, 1995)*

The agreement announced with the province of New Brunswick and the federal government is between the two parties and does impact on any past, present, or future agreement between the federal government and the province of Nova Scotia. The province of Nova Scotia is presently discussing with the federal government how it wishes to address the transition funds to be allocated to it under the cessation of the Atlantic Freight Rate and Maritime Freight Rate Assistance subsidies. Federal cost sharing agreements alone will not cover the cost of all highway improvements necessary in any province. Each province decides how it will fund its own highways and considers in those decisions the question of whether or not it will require tolls to fund any particular highway project. That is provincial jurisdiction.

### FEDERAL-PROVINCIAL STRATEGIC HIGHWAY IMPROVEMENT PROGRAM—NOVA SCOTIA—RESTORATION OF FUNDING TO DESIGNATED PROJECT—REQUEST FOR UPDATE

*(Response to question raised by Hon. J. Michael Forrestall on June 27, 1995)*

The Province of Nova Scotia has not approached the federal government for any further amendments to the Strategic Highway Improvement Program agreement.

**Hon. Marcel Prud'Homme:** Honourable senators, does the deputy leader have an idea of when my question posed on May 11 concerning the acquisition of class submarines may be answered? I asked a very precise question. The response is either "yes" or "no." Was a lobbyist involved in that transaction? I am patient, as everyone knows, but just because I am patient I do not forget. Would the deputy leader look into that matter?

**Senator Graham:** The answer is very definitely yes. I will urge expeditious action on this question.

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# ORDERS OF THE DAY

## ROYAL CANADIAN MINT ACT

### BILL TO AMEND—THIRD READING

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** moved the third reading of Bill C-82, to amend the Royal Canadian Mint Act.

**Hon. Marcel Prud'Homme:** Honourable senators, for 32 years I have been repeating the same speech to students across Canada. This weekend I was in the Belleville-Perth-Tweed-Kingston area. I cannot understand why we are trying to pass this bill so quickly without at least asking ministers to reflect on proposals which were made on the slow and gradual Canadianization of our money.

I was greatly influenced by a man of courage in 1964. I was with him in Winnipeg in May of 1964, when, against all advice, he spoke to the annual national meeting of the Royal Canadian Legion. He said, "Ladies and gentlemen, the time has come for Canada to have an authentic Canadian flag." That was a man of courage. We know what happened across Canada after that.

On Friday, I was in the Fort–Coulonge area of what we call western Quebec. On every barn and on every street I saw the Canadian flag. Yet, I could not but remember that in 1964 we went through the most vicious debate on the flag. It was as vicious as the debate on the metric system. People seem to forget these debates. The metric system was heralded as the beginning of the French taking over the country.

I remember the flag debate. It was a turning point in my life, a time when I learned about courage. When you know you are on the right track, you go for it.

I was at the committee meetings on this bill last week, although I am not a member. Everyone knows I am not a member of any committee, so I go to all the meetings where they are debating interesting issues. Facing me was a senator — whom I will not name — who did not like what I stood for, although I was talking about Canada.

Some people who are trying to build a country get sick and tired of the nonsense they hear when talking about the great motivation for many of us, especially for new Canadians and young Canadians, of building a country. It is not enough to say that we have a great country. No one is more respectful of our gracious Queen Elizabeth II than I.

[*Translation*]

Honourable senators, Queen Elizabeth II, the Queen of Canada — I say it in French, I said it in Quebec and I will repeat it in both languages. I am not afraid of public opinion when I know we are right. And now they accuse us of being against the monarchy.

[*English*]

Canada is a country that we build every day, slowly, with respect for each other, but moving forward. Every generation must take a step toward Canadianization.

• (2100)

I do not believe changing the appearance of a coin will be opposed.

I had the experience of watching an official discussing this matter on television. He spoke absolute nonsense. I would enjoy entering into a debate with him.

Honourable senators, every gesture counts in building a Canadian identity. The note from the minister says, in English, "Oversee effigy of Her Majesty the Queen," and, "Reverse to be determined by government after public consultation on most appealling team." I am told there were 17,000 applicants.

I did not hear of anyone in Montreal or west Quebec being asked to apply. I used to think that an effigy of Mr. Pearson or Mr. Diefenbaker would be a good choice, but now I am of the opinion that one coin should honour a woman because four male prime ministers have already been honoured.

Honourable senators, I am talking about the Canadianization of our institutions. The country is burning, and people do not realize it. Those of us who passionately talk about our country are ridiculed by some, even by some senators. I have spoken in every province on this issue. Every time I discuss this topic, everyone demonstrates enthusiasm.

In 1964, I was invited as a new member to speak in British Columbia. A few days before I was to speak, I started receiving calls from people who told me that I should not discuss certain controversial issues. I touched on every subject I was advised not to discuss and I survived. In fact, I made many friends, some of whom became members of Parliament. Five are ministers of the Crown. My exchanges with them occurred when they were young Liberals.

We have established a committee which is asking Canadians, in the words of the representative of the minister: "Do you want to have a $2 coin?" The response was divided 50-50. However, as soon as it was pointed out that $223 million would be saved by the minting of such a coin, then, of course, 85 per cent voted in favour of the coin. No committee has been established to ask Canadians: "Would you like to continue the Canadianization of our institutions?" That question has already been decided.

People visiting Canada are curious about who is depicted on our different coins and bills, and I am sure that curiosity would continue if we were to depict a woman on one of our coins.

Honourable senators, I would support the clause that provides that the Queen shall be depicted on the coin because if it is proposed that that provision be rejected, then the bill will not be passed. Progress is important, but in progressing, we must respect the past.

Why should we not honour the first citizen of this country on a new coin? What would be wrong with having an Inuit or an Indian leader depicted on one of our coins? The millions of people who carry them will be reminded of what this country is all about.

I have made concession after concession since I arrived in Parliament where it seems that some are more at home than others. Shall I explain that comment?

**Senator Gigantès:** No.

**Senator Prud'homme:** Coming from anyone else, I would be upset, but I accept such a comment from Senator Gigantès.

When will we all come together — forget we are Liberals, Conservative, independents — on a matter which could mean so much for young, new Canadians?

Where are the people of courage who are not afraid to go against the public opinion? We have only people who are like weather vanes, and when you follow a weather vane, you never know where you are. By the time you catch the wind, the weather vane —

[*Translation*]

The weather vane has already turned.

[*English*]

I thank my colleagues for their patience. They said that I made a very emotional speech. When will we stop being afraid to discuss the real issue: our country? To express the sentiments in our beautiful country of Canada, we should Canadanize. The Liberals should be marching to continue the great tradition. Tonight we will not continue the tradition.

That is a very dangerous attitude to take because we should be trying to encourage, and not discourage, those in this country who are proud of having many types of symbols.

• (2110)

People ask me why we waste our time on these trivialities. Honourable senators, they are not trivialities; they are symbols, and symbols emulate people.

Honourable senators, it appears that I will not win this debate. Therefore, I will let the bill pass on division.

**The Hon. the Speaker:** It was moved by the Honourable Senator Graham, seconded by the Honourable Senator Neiman, that this bill be read the third time now.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

**Senator Prud'homme:** On division.

Motion agreed to and bill read third time and passed, on division.

## CRIMINAL CODE
## YOUNG OFFENDERS ACT

BILL TO AMEND—THIRD READING

**Hon. B. Alasdair Graham** moved the third reading of Bill C-104, to amend the Criminal Code and the Young Offenders Act (forensic DNA analysis).

Motion agreed to and bill read third time and passed.

## BUSINESS DEVELOPMENT BANK OF CANADA BILL

THIRD READING

**Hon. Peter Bosa** moved the third reading of Bill C-91, to continue the Federal Business Development Bank under the name Business Development Bank of Canada.

**Hon. John Sylvain:** Honourable senators, I rise this evening to make a few remarks in relation to Bill C-91 because I tabled the report of the Standing Senate Committee on Banking, Trade and Commerce on this bill.

I want to begin by saying that I fully endorse and associate myself with the report the Standing Senate Committee on Banking, Trade and Commerce presented to the Senate on Bill C-91.

The first paragraph of this report summarizes how we felt as a committee about the process followed in relation to Bill C-91. I quote:

> The committee wishes to put on the record, in the strongest terms, its frustration with the lack of legislative planning between the House of Commons and the Senate. This problem has existed for years, under both Progressive Conservative and Liberal governments. Both have exhibited a complete disregard for the legislative role of the Senate.

Both the content and the process used to put Bill C-91 before the Banking Committee demonstrates a real need to look carefully at our legislative system, and particularly the relationship between the House of Commons and the Senate.

Honourable senators, this bill raises the amount that can be lent to businesses by the FBDB — now the Business Development Bank of Canada — to the point where I, and some other senators, believe that this bank will become a rival to the existing chartered banks. This seems to fly in the face of the present government's move to privatize CN, our airports and Petro-Canada.

Honourable senators, this bill reached the Banking Committee as we were studying the federal government's involvement in the banking industry. We were told, "Pass this bill because the bank will run out of money if you do not!" We were also told, "You cannot amend this bill because the House is adjourned." That is what led the committee to write the report which accompanies the bill.

It was at the end of November 1993 when Senator Oliver called together the Progressive Conservative Senate caucus to talk about and make recommendations for Senate renewal. One of the main recommendations arising out of that meeting was the establishment of a Senate-House liaison committee charged with the responsibility for the orderly progress of legislation through the Senate. Why have we not established this committee?

In 1993, the House of Commons Standing Committee on House Management recommended that legislation be introduced in the house at least three months prior to the government's moving to have it passed by the house. In December 1985, the House Committee on Procedures and Organization produced a report entitled "The Canadian Budgetary Process: Proposals for Improvement." This report dealt with and recommended a financial timetable. It also recommended a timetable of five months in which to move legislation through the House and the Senate.

These studies and our efforts at Senate renewal all stress the need for cooperation between the House and the Senate regarding the legislative process. This issue crosses party lines, and its resolution will need the cooperation of us all.

The Standing Senate Committee on Banking, Trade and Commerce was denied the opportunity to do a thorough review of Bill C-91 because of an artificially imposed legislative timetable. This committee, through its report to the Senate, has served notice that we will not be denied this opportunity again. I hope other committees will join in this desire to have an orderly legislative calendar developed and put into use.

Motion agreed to and bill read third time and passed.

[*Translation*]

## COMMITTEE OF SELECTION

### FIFTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifth report of the Committee of Selection.

**Hon. Jacques Hébert** moved the adoption of the report.

**The Hon. the Speaker:** Honourable senators, it is moved that the report be adopted now. Is it your pleasure to adopt the motion?

**Hon. Marcel Prud'homme:** Honourable senators, I will be much more specific.

[*English*]

I know that Senator Robertson has looked into the possible contribution of independent senators. I assure you that I am not begging on my knees. I am not complaining. I am just saying that it is regrettable that the Senate cannot use all of its talent, if such talent exists. I have to conclude that talent may not exist.

I had the honour to serve in the House of Commons on this very committee. I regret that Senator Stanbury is not sitting again, because he was my chairman. He could always depend on me. I was very faithful. I never missed a meeting. I always had opinions, some of which were accepted and some were rejected.

It is regrettable, honourable senators, that we cannot find a way to involve the independent senators. We are three in number, although I am not speaking for the other two. They can speak for themselves. One of them used to sit on many committees. I could come back tonight with a file of independent senators, from Olson to Everett to Lang, who sat on committees.

I am a patient man. I will wait until June 21, 1998. Again, however, let me say that I think it is regrettable that people who have served their country in the other chamber are not called upon to serve on committees in the Senate because they happen to be independent.

Any senator can sit in on the meetings of any committee. In attending every committee, you end up knowing on which one you could be the most useful. I am not saying I would love to be on this committee, but I will attend its meetings.

Honourable senators, the leadership in the Senate should put their heads together and consider whether certain senators could not help deal with legislation referred to certain committees in light of their particular experience rather than the fact that they may or may not be a member of a particular party or a certain group. That has nothing to do with the efficiency of the Senate.

• (2120)

I want to go on record as saying that I find it appropriate that an old institution like this one should be composed of men and women of experience who can relax and give especially of their time. I repeat, some day, I will go further. I know that those senators who were appointed will be dutiful. I will pay close attention to the list which was submitted to us tonight.

Within a year I will return to see who was most active on that committee.

Honourable senators, I will certainly speak with Senator Robertson. I know there was deliberation as to the role of independent senators. Surely, there is a role for us to play. I try to play out that role and that is why I am on my feet too often. However, I do cooperate with Senator Graham who is a gentleman. I do not think I have turned down one of his requests. He consults, which is the way I think we should behave in this honourable chamber.

**Hon. Brenda Robertson:** Honourable senators, I should like to respond briefly to the remarks of the honourable senator. I do so because there has been a misinterpretation of the decision of the committee.

It was determined in committee that we would not change the existing rules. There is no rule excluding an independent senator from permanent membership on a committee. It is left to the Committee of Selection, chaired by Senator Hébert, to determine who shall be a member of each committee.

Thus, if the Committee of Selection chooses an independent, which they have done in the past, that is fine. That decision is not made by the Rules Committee.

**Hon. Lowell Murray:** Honourable senators, in the lifetime of many of us, it has happened that an independent senator, namely, Senator Molson, was chairman of a standing committee, the standing committee which is now chaired by Senator Robertson. Twelve years ago a special committee was headed by independent Senator Pitfield.

As Senator Robertson points out, these are matters that are the prerogative of the Committee of Selection.

I should add, however, that, normally, the government party takes responsibility for assigning one of its committee slots to an independent senator. I let my friends know that.

Motion agreed to and report adopted.

## EUTHANASIA AND ASSISTED SUICIDE

### REPORT OF SPECIAL COMMITTEE ADOPTED

On the Order:

> Resuming the debate on the consideration of the Final Report of the Special Senate Committee on Euthanasia and Assisted Suicide, entitled: "Of Life and Death," tabled in the Senate on 6th June, 1995.—(*Honourable Joan Neiman*).

**Hon. Joan Neiman:** Honourable senators, I know we are all looking forward to a pause in this parliamentary session. However, before I ask this chamber to adopt this report of the Special Senate Committee on Euthanasia and Assisted Suicide, I should like to leave with you a few of my personal thoughts on this complex subject.

There once was a woman dying from a particularly devastating disease. Her body was literally disintegrating, but her mind was clear. She knew beyond a doubt that her body would continue to deteriorate and her suffering increase before death finally released her. She wanted a means to die quickly and painlessly, when she herself decided she could stand no more, that it was time to go.

Sue Rodriguez knew that our courts had been increasingly supportive of the concept of personal choice, even though the choice made by a person might result in the death of that person. She also knew it was permissible to commit suicide but forbidden by section 241 of the Criminal Code to receive assistance in doing so.

Thus, she requested the courts — right through to the Supreme Court of Canada — to reconsider that prohibition in the light of the Bill of Rights and the more recent Charter of Rights and Freedoms. Each court declined, by the narrowest of margins, to make an exception in her case. However, the Chief Justices of the two superior courts both recommended that Parliament deal with the issues her request had raised.

Just days before our committee launched this study, Sue Rodriguez died. Although I had never communicated with her, I heard that she knew our committee had been constituted to study this issue and that she was happy that it was in the works.

Without determining who assisted in her death, British Columbia authorities have just closed her case. The overarching question to which the public still wants an answer, and to which the medical profession and Parliament must ultimately respond, remains: Under what circumstances should it be legally permissible to help shorten the dying process of a terminally ill person?

The committee study and its report marks just the first step in the examination of the issues surrounding assisted suicide and euthanasia. As honourable senators know, it contains many recommendations which, if acted upon, would do much to dispel the worries of many Canadians, particularly the chronically and terminally ill. It would certainly help put our health care house in order.

The committee's assessment of the state of palliative care in Canada, a type of practice which all members and most of our witnesses heartily endorse, was that it is today woefully inadequate, except in a few urban areas. Our recommendations suggest how those responsible can begin to fill the vacuum.

Our recommendations also address current practices with respect to the administration of analgesics, or painkillers, which may be, but need not be, part of palliative care. Committee members were disturbed to be told of patients who were left for hours, and even days, in unremitting pain because their doctors refused to prescribe additional medication for them. This continues to happen in spite of the fact that it is perfectly acceptable, legally and medically, to administer sufficient medication to relieve suffering, even though that may shorten life.

Can you believe that in Canada today there are still doctors who refuse to prescribe certain narcotics, or the amount needed to deaden pain, to a terminally ill patient out of fear that the patient might become addicted? Of what possible concern should that be to or about a dying person?

Although there may be ethical and other reasons why certain doctors make some of the decisions they do, I cannot fathom them.

Shortly after tabling our report, I listened to a woman in a public forum describe how her mother, who had died of cancer just a few days before in a palliative care unit, was scolded by her doctor for asking, and was then refused, additional pain medication. I find that outrageous. The medical profession has a heavy responsibility to educate its members on what they can and should do to relieve the suffering of patients whenever possible.

• (2130)

If it would provide the federal government with a copy of its protocols and guidelines, Parliament would be in a position to enact appropriate legislation to clarify the practice beyond a doubt. The public also needs to be fully educated in this area so people will know what they have the right to expect and demand by way of pain relief.

One of the areas in which I believe the committee could have been more forthright and helpful was in its definition of euthanasia. The committee decided it would describe it as "a deliberate act undertaken by one person with the intention of ending the life of another person to relieve that person's suffering where that act is the cause of death." Indeed, that is the definition used by many writers and witnesses.

However, to focus the debate on this issue more clearly and to distinguish the type of act which euthanasia is or should be recognized as encompassing, we have said that the definition should further qualify the act as "being motivated by compassion or mercy." Major dictionaries support my position in their definitions. *Black's Law Dictionary* states "an act of mercy," as does the *Medical Dictionary for Lawyers*. *Webster's Ninth New Collegiate Dictionary* states "for reasons of mercy." *Roget's International Thesaurus* describes it as "a mercy killing." In their papers on the subject, the Canadian Medical Association describes euthanasia as being "undertaken with empathy and compassion and without personal gain." The Law Reform Commission Report No. 20 of July 18, 1983, uses "from compassionate motives" in its definition. The Criminal Justice Branch of British Columbia, in its 1993 policy manual on the subject, uses "motivated by compassion."

Surely, feelings of compassion and mercy, which everyone must feel for a fellow human being in extreme distress, ought to inform every aspect of study and debate on this subject. Yes, it is killing — but it is killing of a very particular kind which may be undertaken only in very special circumstances.

If we keep that in mind, it would dispel the fear, which many people have expressed, of the possible abuse of the act of euthanasia.

The committee was reminded that the withholding and withdrawing of life-sustaining treatment at the request of competent patients, which are medically and legally acceptable practices today, were, 15 or 20 years ago, called "passive euthanasia," and were as vigorously debated then as other forms of euthanasia are today.

Senator Lavoie-Roux stated in her speech that all committee members agreed that there was a fundamental difference between deliberately causing death and not prolonging life. Literally, that is so. However, she went on to say that that difference was why we, the members, made a distinction between euthanasia and assisted suicide, which she described as deliberate on the one hand, and measures to alleviate suffering and the cessation or non-initiation of life-sustaining treatment on the other.

With great respect, I do not agree with that interpretation. In cases of both withholding and withdrawing, a deliberate decision is taken by a competent patient, knowing that death will in all probability occur much earlier than would otherwise be the case. The same is true for a physician who makes a careful, caring and deliberate decision to administer sufficient analgesia to relieve pain, even though it may shorten life. For example, several ethicists and doctors, among them Doctors Dion and Morrisette, who oppose any change to our laws, told the committee that totally sedating a patient, perhaps irreversibly, which is a technique practised today sometimes in palliative care, is very close to euthanasia.

All these decisions are taken by competent individuals. They all require the assistance of a physician. The foreseeable consequence in each case is hastening death.

If there is no moral distinction between any of these acts, why do we continue to make a legal distinction? In my view, it is beyond doubt that the vast majority of Canadians want the legal right to make the decision to terminate their life when necessary either by way of assisted suicide or voluntary euthanasia, in the same way that they now have the legal right to make a decision with respect to withholding or withdrawing life-sustaining treatment.

Since 1968, Gallup has conducted 10 national polls asking the following question, possibly with slight variations: "When a person has an incurable disease that causes great suffering, do you or do you not think that competent doctors should be allowed by law to end the patient's life through mercy killing, if the patient has made a formal request in writing?" The "Yes" vote has risen steadily each year since the question was first asked, from 45 per cent in 1986, to 76 per cent in December 1994. Surely, that is telling us legislators it is time to act.

Since the debate about euthanasia and assisted suicide will continue, probably far beyond the vote which will eventually take place in Parliament, I thought it important that the views of all members, whether they oppose or support legalization of these practices, be fully set out in the report. I can tell you what probably influenced my thinking the most, even more than my firm adherence to the principle of personal autonomy. It was the accounts of pain and suffering, both relievable and unrelievable, which we all listened to.

The committee learned that of all the people who experience pain and suffering, especially in the final phases of their lives, about 95 per cent can be relieved with good palliative care, of which proper pain control is an integral part.

• (2140)

That would be under ideal circumstances, which those witnesses admitted was far from the present situation in Canada. Even if we accept that figure as being possible today, there remains approximately 5 per cent whose pain and suffering — physical, emotional and psychological — are unrelievable. In Canada, where over 200,000 people now die each year, that means that there are approximately 10,000 individuals to whom we can offer no hope of relief if any of them were to say, "Please help me to go quickly. I cannot stand it any more."

Must the family, friends, and physician continue to stand by helplessly, offer sympathy, or sedate them into oblivion or a state of living death, as is apparently sometimes done in palliative care? Many physicians would help them to go peacefully, but they are afraid of being prosecuted under our law. Some help anyway, fearfully and surreptitiously. Others are opposed to changes in our law because of their personal concept of ethics, and I respect their point of view. Still another group would support legalizing assisted suicide and euthanasia but not personally practise it. That is how the situation stands today.

The committee heard many documented and personal examples of bungled suicides. The assistance was usually given to the dying person by friends or relatives using instructions from a book. It was often unnecessarily but unintentionally violent, and it had to be carried out secretly. Does not the lack of professional care and knowledge and the absence of public regulation put us on the most dangerous slippery slope of all? Is this the Hobson's choice those people must make — that is, a clandestine finale for them and a fearful and perhaps shameful experience for those who assist them; otherwise the endurance of increasing and unrelievable suffering until the end finally comes?

I was pleased when Senator Keon made the difficult decision to support the legalization of assisted suicide. He was unable to support legalization of voluntary euthanasia, but I understand that and respect his reasons. As he explained, one of the important considerations to him was that in suicide the act is committed by the person, while with voluntary euthanasia, the act is committed by another person.

Although I accept that distinction, it is the only one which differentiates these two practices. There are two other critical factors involved here. The first is that in both cases, the person making the decision to request an assisted death is fully competent and is making it freely and without coercion. The second is that by only legalizing assisted suicide, we automatically discriminate against those competent people who are physically incapable of performing the final act.

To illustrate the inequality which would result: If I am suffering unrelievably but have some use of my limbs and faculties, and assisted suicide is legal, I may receive the necessary means to die from an assisting physician; if voluntary euthanasia is not legalized at the same time and I can no longer move my arms, I would be able to obtain the means to commit suicide from a physician, but I would not be allowed assistance in bringing the glass of water to my mouth so I could swallow the pills. Surely, more severely physically disabled people should not be doubly condemned to go on living in agony while all others would be permitted to receive assistance to end their suffering.

I wonder how I shall comfort my friend Sharon Gate, who has had multiple sclerosis for over 20 years and, with the progression of the disease, is now paralyzed to her neck. She is a former nurse and has a wonderful spirit, even though she knows very well how the disease will continue to progress. She has told me that, if only it does not get any worse, she would be happy to live as she is for another 20 years. I can only tell her to hold on to the hope that the Parliament of Canada will have made the changes she and so many others want before her life becomes totally unbearable. Her doctor is hoping the same, because he has told her he will not let her suffer. That is just one more example of how many doctors are being torn between the law as it now is and what they perceive to be their duty to their patients.

The same safeguards which the minority members recommended be applicable to assisted suicide, or even more stringent ones, would be required for the legalization of voluntary euthanasia. The report stressed — and I believe this very strongly — that before any debate takes place in Parliament on either a resolution or a draft legislation, a set of proposed safeguards and guidelines be formulated with the advice of the medical and other health professions and organizations, as well as people having experience and expertise in the area. The parliamentarians would then have an opportunity to recommend changes they felt necessary. They and the public could be assured how the regulations would be monitored and enforced, either at the federal or provincial levels. This preliminary measure would not commit the federal government to changing the existing laws, nor the medical and other health professions to approving changes, but it would give everyone a chance to assess the strength and security of the regulations which would be in place in case of change.

The committee did not have the time, nor did it receive sufficient advice from its witnesses to draw useful conclusions with respect to certain types of non-voluntary euthanasia. The committee has defined "non-voluntary euthanasia" as euthanasia done without the knowledge of the wishes of a competent or incompetent person. That particular category includes severely disabled neo-natal infants and persons in persistent vegetative states.

In those cases, doctors must decide if further treatment is futile because it will have no real benefit to the patient, but they can and do run into difficulties if relatives think otherwise. The same type of situation can occur when they try to determine what is in the best interest of a patient and relatives dispute the decision. The decisions might involve the withholding and withdrawing of treatment, which we know is acceptable when a competent patient gives his or her consent, but these cases involve incompetent people and someone else has to take responsibility for the act.

I understand the Canadian Medical Association has been studying these situations for some time in order to formulate protocols for decision making acceptable to its membership and, hopefully, to the public at large. I realize it is an extraordinarily difficult problem, but it is one for which the CMA must find an answer — and the sooner the better for all concerned.

• (2150)

The committee recommended that, if either voluntary or non-voluntary euthanasia remains a criminal offence, the Criminal Code be amended to provide for a less severe penalty in cases where there is an essential element of compassion or mercy. That is a significant step forward.

Though I still cannot condone what Robert Latimer did, I think anyone who has read the full dispassionate account of the decisions which the Latimer parents had to make from the day Tracey was born, the almost interminable suffering which Tracey endured and they had to accept because there appeared to be no further medical miracles to alleviate their child's pain, will find the basis for the committee's decision to ask for lesser penalties in such cases. It must be a harrowing decision for any person to make, no matter how much compassion or mercy he or she feels, whether or not that other person requests it, because of that person's unrelievable suffering.

Finally, I leave you my personal message as one who believes in the right of a person to make choices concerning his or her own life, so long as they harm no one else. Other principles, such as respect for the sanctity of life or for our perceived societal values, surely do not include forcing any person to go on living beyond his or her human endurance. When you next debate assisted suicide and euthanasia, keep an open heart and mind. I wish you well.

**Hon. Senators:** Hear, hear!

**Senator Neiman:** Honourable senators, I move the adoption of the report of the Special Senate Committee on Euthanasia and Assisted Suicide.

Motion agreed to and report adopted.

## TRANSPORT AND COMMUNICATIONS

### NINTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the ninth report of the Standing Senate Committee on Transport and Communications (budget—examination on Canada's international competitive position in telecommunications), presented in the Senate on June 21, 1995.—(*Honourable Senator Oliver*).

**Hon. Donald H. Oliver** moved the adoption of the report.

Motion agreed to and report adopted.

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION—PROPOSED ORDERS ON DIRECTIONS ON DIRECT-TO-HOME SATELLITE DISTRIBUTION AND ON PAY-PER-VIEW TELEVISION PROGRAMMING—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the tenth report of the Standing Senate Committee on Transport and Communications (Direct-to-Home Satellite), tabled in the Senate on June 21, 1995.—(*Honourable Senator Oliver*).

**Hon. Donald H. Oliver** moved the adoption of the report.

He said: Honourable senators, this report was tabled some two weeks ago. Many items in the report have already been adopted by the government. However, it is the wish of the committee that a few words be put on the record concerning the process the committee went through.

I have the pleasure of reporting to you on behalf of your Standing Senate Committee on Transport and Communications regarding the proposed Governor in Council directives to the CRTC with respect to direct-to-home broadcast satellite services and pay-per-view television programming services. Your committee conducted an intensive one-month investigation into the events leading up to the proposed Governor in Council direction orders laid before the Senate on April 26 of this year and in accordance with the 40-day parliamentary review period. This inquiry also included the events surrounding the CRTC's decision to exempt from licensing Expressvu Inc. that precipitated the directives.

The conditions set out by the CRTC in its exemption order of direct-to-home distribution undertakings has enabled Expressvu to be the only entrant into the direct-to-home television programming services market in Canada. This is so even though there was at least one other direct-to-home satellite company willing to participate in the lucrative market and to compete with Expressvu, namely, Power DirecTV Inc. It, however, cannot meet one of the stringent conditions for exemption, namely, the requirement for the exclusive use of Canadian satellite facilities, and is unwilling to apply to the CRTC for a license which would put it on an unequal footing with Expressvu. The government's directives, therefore, would overturn the CRTC's exemption decision and would establish a competitive licensing system for the provision of direct-to-home and pay-per-view services in Canada. The directives would also have the CRTC repeal or revoke its exemption granted to Expressvu to enable Power DirecTV and others to enter the Canadian direct-to-home broadcasting satellite market on an equal basis with Expressvu. Both would like to begin service on September 1, 1995.

We heard from both relevant departments, Canadian Heritage and Industry Canada. We also heard from both relevant government agencies with specific mandates to address these concerns, the CRTC and the Bureau of Competition Policy. As well, we heard from the main direct-to-home combatants, Expressvu and Power DirecTV. We also heard from directly affected industry interests, such as Telesat Canada, Astral Communications Inc., Allarcom Pay Television Limited, and the Canadian Cable Television Association. We also heard from Television North Canada, the Federation of Francophone and Acadian Communities, the Television and Radio Artists, the Canadian Association of Broadcasters, Friends of Canadian Broadcasting, the Consumers Association of Canada, and many others.

In short, honourable senators, the committee obtained the widest perspective possible on the contentious issues entailed in assessing the impacts of this new radio and television programming distribution technology on the Canadian broadcasting sector and of the proposed Governor in Council directives to the CRTC. The committee has now completed its deliberations; has formed its opinions; and has filed its report with the government.

The committee has weighed the various actions of all the principals in this debate and found that no one was without fault. All share in the blame for what went wrong. For example, the CRTC in March of 1994, when it first proposed the exemption route for direct-to-home services, stated that a condition would be that "the undertaking makes use of Canadian satellite facilities to distribute programming services to viewers on a DTH basis." This condition is similar to that applied to cable television undertakings, so, naturally, no one gave it a second thought. However, in August 1994 when the order was finally issued, this condition had been altered somewhat to include "the exclusive use of Canadian satellite facilities." All of a sudden, the word "exclusive" made its way into the exemption order, which took many industry watchers by surprise.

Had it been the intention of the CRTC to deviate from regulatory convention established under cable television distribution by including this more constraining condition on direct-to-home satellite distributors, it should have indicated so in its March 1994 public notice. The CRTC's respondents to this call for public comment could have then focused their opinions and positions on this particular issue. Further, had the CRTC done so, senators would not, in all probability, be here today listening to these remarks.

The Government of Canada, on the other hand, responded by proposing direction orders to the CRTC under section 7 of the Broadcasting Act, but may have been too zealous in its drafting of these orders. The directives appear to be of "specific application" on "narrow policy matters," rather than of "general application" on "broad policy matters" as is required under that very section of the act. The proposed direction orders may also constitute retroactive regulation, which is clearly *ultra vires*. The preponderant weight of all the evidence laid before the committee suggested that these proposed direction orders are, in fact, *ultra vires*. In the most recent directions that the government has given to the CRTC, they have managed to avoid taking a step which would be *ultra vires* by ordering that a licensing regime take effect before November.

• (2200)

Clearly, if this were not the case — in other words, had the Department of Canadian Heritage waived its solicitor-client privilege to permit Department of Justice documents to be laid before the committee, or had the Minister of Canadian Heritage, the Honourable Michel Dupuy, appeared before the committee to explain this apparent new departure in statutory interpretation — the committee may have been able to come to a different conclusion.

One thing is for sure, however. If these matters are headed to the courts, as was threatened by the CRTC and Expressvu, Canadian consumers and Canadian culture will be the big losers. The committee was told that the so-called "grey" market, where Canadians are circumventing the law prohibiting the reception of unauthorized foreign programming, was estimated conservatively to be 30,000 households. This market is growing at about 1,000 per week. These Canadians, needless to say, are by-passing Canadian facilities and are not contributing even one cent to the production and promotion of Canadian cultural goods and services, as are all other Canadians. Canadian culture is under threat with each passing day that "grey" marketeers are allowed to roam the market and sign-up Canadian households to these American satellite services.

The committee sees no reason why this should happen. A court-determined solution need not be the outcome of this precarious state of affairs. In fact, Canadian cultural policy can, and still should, respond to this new technological threat. This is the time for cooler heads to prevail; and it is time for all those directly engaged in this dispute to realize that half a loaf of bread is better than allowing the entire loaf to go the American "grey" market way. Compromising among the four parties is not only required but imperative because time is of the essence.

The committee views its role in the policy making process as an advisor to government, which stems from its removed position from the principles or combatants and its expert status in dealing with matters arising under the Broadcasting Act. The committee advanced seven recommendations to the government that it believed would rectify the existing stalemate and avert a protracted court battle. I am pleased to say, honourable senators that given the action, that the government has taken, a great number of those recommendations were in fact adopted by the government.

I will read just one in conclusion.

> The Government of Canada and the CRTC immediately take the appropriate steps to institute a licensing process to begin upon the coming into force of the Direction Orders. That the CRTC wave the mandatory administrative time constraints and notice periods in order to complete the process before September 1, 1995, so that licences can be issued on or before that date.

The only change in the government directives is the date which was changed from September 1 to November 1, but Expressvu is allowed to commence under its exemption order on September 1.

That, honourable senators, without reading the other recommendations set forth in our report, is the essence of the report that has been tabled.

Motion agreed to and report adopted.

## ONTARIO COURT GENERAL DIVISION

### MOTION TO STRIKE SPECIAL COMMITTEE TO EXAMINE AND REPORT UPON THE CONDUCT AND BEHAVIOUR OF CERTAIN OFFICES AND JUSTICES—POINT OF ORDER—SPEAKER'S RULING

The Senate proceeded to consideration of the motion of the Honourable Senator Cools, seconded by the Honourable Senator Carstairs:

> That a Special Committee of the Senate be constituted to examine and report upon the conduct and behaviour of certain justices and barristers of the Ontario Court of Justice (General Division), raised by the Honourable Senator Cools in her speeches on Parliamentary Privilege in the Senate in terms of:
>
> (i) failing to take judicial notice of the Law of Parliamentary Privilege, the Constitution of Canada, and the laws of Canada pertaining to the Senate;
>
> (ii) failing to uphold and enforce the said laws, and the immunities and privileges of the Senate;

(iii) interfering with and frustrating the enjoyment and exercise of the said laws, immunities, and privileges;

(iv) inducing failure to observe and comply with the said laws, immunities, and privileges;

(v) impeaching proceedings in Parliament;

(vi) threatening sanctions on the vindication of the said laws, immunities, and privileges;

(vii) their conduct and behaviour generally relating to the Law of Parliamentary Privilege, the Constitution of Canada, the independence of the judiciary, constitutional comity, the dignity of the Senate, and the due administration of justice;

That the committee be further empowered to consider and report upon related matters which may concern the privileges of the Senate;

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee be composed of seven members, four of whom shall constitute a quorum; and

That the Committee of Selection be instructed to decide and report upon the membership of the Special Committee.—(*Speaker's Ruling*)

**The Hon. the Speaker:** Honourable senators, Senator Robertson, who raised the point of order, and Senator Cools are both present in the chamber. I have taken considerable time in arriving at my ruling, as we are dealing with two very important matters. One is the privilege of the Senate and one is the independence of the judicial system.

My ruling is as follows: Honourable Senators, a point of order was raised on Wednesday, May 10, 1995, by the Honourable Senator Robertson with regard to the motion proposed by Honourable Senator Cools to establish a special committee to examine and report upon the conduct and behaviour of certain justices and barristers of the Ontario Court of Justice (General Division). The point of order questioned whether this motion is properly worded in that it seemed to include two distinct propositions and should therefore be divided. The point of order also questioned whether in the interests of parliamentary decorum it is appropriate for the Senate to debate the conduct and behaviour of certain judges and other officers of the court whom our parliamentary authorities refer to as "protected persons."

Upon completing her statement, Senator Robertson asked for a ruling from the Chair. Both Senator Cools and Senator Grimard then commented on the point of order. I wish to thank all three senators for their contributions.

What is before the Chair is strictly the point of order and not the question of whether the privileges of the Senate have been breached in any way. I remind honourable senators that last November 16, my predecessor, the Honourable Senator LeBlanc, ruled on a question of privilege raised by Senator Cools on October 5 which involved many of the points raised in the motion now before us. At that time, the Speaker ruled that because the question was not brought forward at the earliest opportunity, it could not be priority debate. The Chair has therefore already made a decision on the matter and should not intervene a second time to determine if there is a *prima facie* case of privilege.

[*Translation*]

In her point of order, Senator Robertson referred to rule 43(2) which states that:

> If the matter is not raised at the earliest opportunity, the Senator rasing the matter may put it on notice, but the matter cannot be proceeded with under the terms of this rule.

Senator Robertson noted that it would appear that Senator Cools is availing herself of this alternative procedure and I would agree. Barring other procedural irregularities, rule 43(2) allows Senator Cools to put that matter referred to in her October 5 statement on notice and to proceed by way of a substantive motion.

On the first part of the point of order, dealing with the wording of the motion, there is a problem according to Senator Robertson in that Senator Cools' motion implies two different propositions. These are:

i) that a *bona fide* question of privilege been established; and

ii) that a special committee should be established to examine the conduct and behaviour of the justices and barristers involved in this alleged breach of privilege.

In supporting her case, Senator Robertson referred to Beauchesne's Sixth Edition, citation 557(1) at page 172 which states that:

> A motion which contains two or more distinct propositions may be divided so that the sense of the House may be taken on each separately. The Speaker has a discretionary power to decide whether a motion should be divided.

I note, however, that Beauchesne goes on to say in citation 557(2) that:

> It is only in exceptional circumstances, and when there is little doubt, that the Speaker may intervene and, of his or her own initiative, amend the motion proposed by a member.

And according to Erskine May, Twenty-first Edition at page 336:

> A complicated question, however, can only be divided if each part is capable of standing on its won.

In Canadian parliamentary history, such dividable motions have been very rare.

[*English*]

In the Chair's opinion, while Senator Cools' motion does involve more than one idea, the propositions contained therein are all related. Given the way the motion is worded, I cannot see how it could be divided since the parts are not capable of standing on their own. Even if the motion were divisable, it would not render the motion out of order.

• (2210)

The second part of Senator Robertson's point of order, that the motion offends the established parliamentary practice that prohibits, or at least restricts, references to judges in the form of any personal attack or censure, is the more difficult for me to determine.

In order to be very clear on what might possibly be at issue in this aspect of point of order, I examined closely the arguments that were presented in May, and I have reviewed the authorities on the relationship between Parliament and the courts, particularly with respect to the censure of judges and their possible removal from the bench. Among the works that have been consulted are Alpheus Todd's *On Parliamentary Government in England*, *Halsbury's Law of England* and most important, perhaps, a treatise by Shimon Shetreet entitled *Judges on Trial: A Study of the Appointment and Accountability of the English Judiciary* published in 1976. I have also reviewed some of relevant Canadian and British precedents as well as a 1994 decision of the Federal Court, Trial Division, in the case of *Gratton v. Canadian Judicial Council*. I have felt it my obligation to undertake this review in order to provide some guidance to this house on a matter of importance and consequence.

In explaining her second objection, Senator Robertson quoted a passage from Erskine May, at page 380, which states, in part, that:

> ...reflections on a judge's character or motives cannot be made except on a motion, nor can any charge of a personal nature be made except on a motion. ... Any suggestion that a judge should be dismissed can only be made on a motion.

This practice has been sustained in recent years by various statements or comments by the Speaker of the British House of Commons. For example, on December 4, 1973, the British Speaker observed that:

> No charge of a personal nature can be raised except on a motion. Any suggestion that a judge should be dismissed can be made only on a motion.

Again, on July 2, 1987, the Speaker stated that:

> It is not in order to criticize a judge. That must be done by motion.

Although the *Rules of the Senate* are not explicit on this point, I do not believe that any senator would doubt the need to support such a practice either to maintain order and decorum in our debates or out of respect for the independence of the courts.

While recognizing the importance of maintaining the independence of the courts, it is still clear that Parliament does have the authority, and indeed the responsibility, to act when required. Senator Robertson referred to the Constitution Act, 1867, section 99(1), which states that:

> ...the Judges of the Superior Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and the House of Commons.

[*Translation*]

Our parliamentary history presents only a few instances when Parliament even considered availing itself of this constitutional right.

The most recent case, and the only one in which the Senate participated in such action, was in 1966 when the Senate agreed to join with the House of Commons to enquire into and report on the expedience of presenting an address to His Excellency praying for the removal of Mr. Justice Léo Landreville from the Supreme Court of Ontario.

This action followed the presentation to Parliament of a report commissioned by the government to examine allegations of impropriety that predated Mr. Justice Landreville's appointment to the provincial Supreme Court. This document written by the Honourable Ivan C. Rand determined that there was sufficient cause to seek the removal of the judge.

The report also provided examples of British precedents where the conduct of judges had been reviewed by Parliament. There are, therefore, both constitutional provision and parliamentary precedent for such action by Parliament.

[*English*]

In order to further clarify the situation, I believe it would be useful to quote more extensively from the remarks made by the British Speaker referred to earlier. On December 4, 1973, when the House was about to begin debate on a supply motion, the Speaker made the following statement:

> Before I call the right honourable Member ... to move the motion, I want to say this to the House. Certain inquiries and representations have been made to me about the scope of this debate. I do not in general believe in ruling upon hypothetical situations, but on this occasion however it might be helpful if I try to give some guidance.
>
> Any Act of Parliament which the courts have to operate can be criticised as strongly as honourable or right honourable Members desire. It can be argued that a judge has made a mistake, that he was wrong, and the reasons for those contentions can be given, within certain limits.
>
> I wonder whether I might read to the House what Lord Atkin, one of the great judges of this century, said some years ago on this subject. He said:
>
> > But whether the authority and position of an individual judge, or the due administration of justice is concerned, no wrong is committed by any member of the public who exercises the ordinary right to criticising, in good faith, in private or public, the public act done in the seat of justice. The path of criticism is a public way, the wrong headed are permitted to err therein; provided that members of the public abstain from imputing improper motives to those taking part in the administration of justice, and are genuinely exercising a right of criticism, and not acting in malice or attempting to impair the administration of justice, they are immune. Justice is not a cloistered virtue; she must be allowed to suffer the scrutiny and respectful, even though outspoken comments, of ordinary men.

In assessing Lord Atkin's position, the British Speaker continued and said:

> That is very much the attitude of mind with which the Chair will approach this debate. Reflections on the judge's character or motives cannot be made except on a motion. No charge of a personal nature can be raised except on a motion.

For my part, it would seem that while reflections on a judge's character are not permitted as a general rule of debate since the people occupying these positions are described, according to Beauchesne in citation 493, as "protected persons" and to do so is unparliamentary, precedent shows that it is permissible to make such reflections if it is done by way of a substantive motion. Senator Cools has given appropriate notice and made such a motion. Although the motion does not specifically call for the removal of a judge of a superior court, the rules do not indicate this is necessary at this point. Parliament has the constitutional right to request the dismissal of a judge, and I would hesitate to interfere with this right in any way.

In adopting this position, I am guided by a precedent that happened in our own House of Commons in 1883. On that occasion, a member moved a motion to inquire into the actions of a county court judge who had refused to authorize a re-count of ballots in his electoral district. During the course of debate on the motion, one member went so far as to suggest that the motion was possibly out of order, but did not actually seek a ruling from the Speaker to confirm his suspicion. Instead, the House itself came to a decision on the motion after a fairly short and vigorous debate. I believe that the Senate would be better served if it were provided with a similar opportunity to decide the fate of this motion.

Let me make clear again that the Chair is not in any way acknowledging the merits of the substance of the motion or the allegations made therein but commenting strictly on its form. This is what Senator Robertson's point of order requested that I do. The role of the Chair is not to determine whether a motion is wise or not — that is for honourable senators to decide. The role of the Chair is to determine if a motion is in order according to rules and precedents. It will be up to the Senate to determine if it wishes this special committee to be established. My ruling is that I cannot accept the point of order. The debate on the motion may continue.

Order stands.

• (2220

## LEGAL AND CONSTITUTIONAL AFFAIRS

MOTION TO AUTHORIZE COMMITTEE TO MEET DURING SITTING OF THE SENATE

Leave having been given to revert to Motions:

**Hon. Gérald-A. Beaudoin,** pursuant to notice of June 19, 1995, moved:

> That the Standing Senate Committee on Legal and Constitutional Affairs have the power to sit from Monday, September 25 to Friday, September 29, 1995 inclusive, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

He said: Honourable senators, with leave of the Senate and pursuant to rule 31, I propose to modify the motion to read:

> That the Standing Senate Committee on Legal and Constitutional Affairs have the power to sit from Tuesday, September 26 to Friday, September 29, 1995 inclusive, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators, is leave granted to amend the motion as proposed by Honourable Senator Beaudoin?

**Hon. Sharon Carstairs:** Honourable senators, may I ask a question of Senator Beaudoin?

Does this mean that the Standing Senate Committee on Legal and Constitutional Affairs could not sit between now and September 26, or could the committee also sit between now and September 26?

**Senator Beaudoin:** The purpose of this motion is to allow the committee to sit while the house is sitting because, obviously, in the second part of September, this Senate may be called back. We want to be quite sure that the committee can sit at that time in accordance with the rules.

As to the second part of your question, I do not consider that we are precluded from doing sitting between now and September 26. When the committee adjourns, it will adjourn to the call of the Chair.

I do not want to take a chance that the Senate may be sitting during the second part of September and the committee would have to cancel its meetings.

[*Translation*]

**Hon. Eymard G. Corbin:** Honourable senators, I have a question for Senator Beaudoin. He referred to dates in September. Until then, we still have the rest of July, the whole month of August and the first half of September.

There seems to be no reason why you could not sit during the next few weeks. If the Senate happens to be sitting at the time you want to schedule your meetings, you can go to the Senate and ask for permission to sit in committee while the Senate is sitting.

I do not see why you are anticipating a hypothetical situation this far ahead, that is to say, whether or not the Senate will be sitting at the time you want to sit in committee in September.

I do not see why you cannot sit right away. After all, you have plenty of time during the summer.

[*English*]

**Hon. P. Derek Lewis:** Honourable senators, I believe the committee simply wants to plan and organize its witnesses. The members need time to do that. If the Senate sits in that week, there may not be time to get permission then to sit while the Senate is sitting. That was part of the reason for this motion.

[*Translation*]

**Senator Beaudoin:** Honourable senators, I just do not want to waste two precious days. Yes, I could move a motion when we come back. It is very likely the Senate will be recalled at that time. However, if I wait until the Senate is recalled, it will take a day or two before we can sit.

As for why we could not sit on some other day, as I told Senator Carstairs, there is of course no objection to sitting earlier.

I wonder, however, why we are hearing these remonstrations against the Standing Senate Committee on Legal and Constitutional Affairs. For the past year and a half at least, the Legal and Constitutional Affairs Committee has been sitting more often than any other committee.

Of course we can sit in July, August and September and even on Christmas day. I have no objection. In any case, the committee needs a quorum to be able to sit. That is one point I am considering.

**Senator Corbin:** Senator Beaudoin obviously misinterpreted my comments when he referred to remonstrations.

That was not my intent. I was merely asking for information. I just want to know why you want to proceed the way you suggested. That is all.

I am certainly not criticizing your committee, but I may add that the Special Committee on Euthanasia and Assisted Suicide also sat for a long time, even late at night. In fact, you sat on both committees.

**Senator Beaudoin:** It was quite an experience.

**The Hon. the Speaker:** Honourable senators, is it your pleasure to adopt the motion as amended?

**Hon. Senators:** Agreed.

Motion agreed to, as amended.

The Senate adjourned until Wednesday, July 12, 1995, at 1:30 p.m.